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INTERIM REPORT NO. 2

COURTESY
OF CODE

6

THE CHALLENGE OF DECLINING ENROLMENTS

Critical Emerging Problems and Recommendations
for Immediate Action

COMMISSION ON DECLINING SCHOOL ENROLMENTS IN ONTARIO (CODE)

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Acknowledgements

The preparation of Interim Report No. 2 has been the work of many hands and minds. I am particularly indebted to the chairmen of the task forces, Dr. Michael Connelly, Mr. Howard B. Henderson and Dr. John Holland, and to their members for advice and assistance, and also to Dr. Edward Hickcox and his staff and to Professor Vernon S. Ready of Queen's University. The demographic, financial and related data were prepared with his usual thoroughness and attention to detail by Mr. Saeed Quazi and his team of researchers. Obviously, too, I have drawn heavily upon the ideas and opinions expressed in the briefs to the Commission and at the public hearings and especially upon those of the authors of the series of Working Papers, most of which have already been published and distributed.

I wish to record my special appreciation to the staff of Statistics Canada who so willingly and ably provided us with the special sets of data in the form we required and specified. In particular we have received materials at regular intervals from several officials of Statistics Canada.

I am pleased to be able to express also my deep gratitude to the staff of the Commission who have served us so loyally and well and only too frequently on an overtime overload basis. I also owe a great deal to the administrative and other staff of The Ontario Institute for Studies in Education (OISE) who have helped so much in our work.

Of course, I must take full responsibility for the opinions and views expressed in this Interim Report, for the recommendations advanced and for any errors or omissions which may become evident. I do so, and fully.

Letter of Transmittal

July 31, 1978

The Honourable Thomas L. Wells
Minister of Education
Province of Ontario
22nd Floor, Mowat Block
Queen's Park
Toronto, Ontario
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Dear Sir:

As promised in my first Interim Report, which was completed on February 28, 1978, and published and distributed by early May, 1978, the first draft of my second interim report, popularly referred to as a White Paper, was completed on May 31, 1978. However, new information received at that time about school enrolment projections to the year 2001, revenues and expenditures on education, teacher mobility and the employment of the graduates of teacher training institutions during 1977-78, made it advisable to undertake extensive revisions. I was also influenced strongly to delay this report by the advice I received from senior administrators of the school boards, whose opinions and judgments I respect. As the data given later clearly indicate, the delay was justified; the situation will almost certainly prove to be more serious in extent and prolonged in duration than I had earlier thought likely, and consequently some actions must be undertaken by the government as soon as possible.

Accordingly, I have departed from my original plans, which were to present the problems created by declining enrolments, suggestions for solutions and their possible results. I have now limited myself mostly to a description of what seem to me the problems which have since emerged as critical and to recommendations for immediate action to contribute to the stability of the system while we prepare and initiate long-term policies. This change in the nature of this report takes it beyond the scope of a White Paper, which does not normally urge action on proposed solutions. However, I think these issues grave enough to merit immediate consideration and prompt action.

As a result, I have eliminated the term White Paper from this report. Recommendations for the long term solutions will be contained in my Final Report.

I am fully aware, Mr. Minister, that these issues and problems are not independent of each other, and that a decision on one will in greater or lesser degree determine the responses to others. It is all too obvious, furthermore, that the education problem does not stand isolated from the rest of society. All public services face the same challenge today, that of maintaining high quality performance in the face of an inability to raise revenues as fast as costs rise while at the same time reorganizing to accommodate new social and demographic realities. What can be done to improve, or even maintain the quality of education, will be determined in large measure by the policy choices we make in other fields, most notably in taxation, intergovernmental financial relations, price and employment stabilization, pensions and the other very expensive public services such as health and social services. Conversely, decisions in those fields will be affected by our decisions about education.

But however much all these issues are inter-related, there is a natural priority among the problems which must not be overturned. Of paramount importance are the interests of the human factors as contrasted with material considerations, and further, within that category, the interests of our children are foremost in importance.

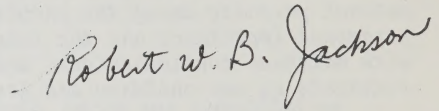
I am very well aware that our choices are subject to certain constraints. The most obvious of these are economic and financial, but just as important are those related to varying perceptions and competing interests of different groups in our society. I foresee that in many cases we will be forced to adopt compromises that will yield less than optimal results for all parties concerned.

But those are the tasks to be undertaken and the risks to be run, by me in the first place, of course, in selecting recommendations to be made to you, and eventually by you and your government as you weigh my recommendations in the balance of the interests of our people and accept or reject my proposals and form your own solutions in the case where mine have been rejected.

I am confident, though, that solutions will be found to the problems we associate with declining enrolments. A part of finding those solutions will, I'm sure, be a reassessment of how important declining enrolment is in those problems. Although some programs will have to suffer, the basic quality of our education need not do so. Indeed, as I have stressed from the very beginning, before us lies an opportunity, not a disaster. What faces us is primarily a choice of the best, in accordance with a set of specified criteria, among the bewildering wealth of possible solutions.

May we choose wisely and well, for the sake of our children and grandchildren as well as for our own sake. During these concluding phases of my task I am strengthened by the knowledge that I have made fully available all the information and findings I have been able to discover. Possibly at times this proved embarrassing to both of us, but at least we know that the teachers, trustees, parents and others are by now fully cognizant of the facts and of the gravity of the implications for all aspects of our way of life. In the final analysis, therefore, when we make our choices each of us will have a common base of information, knowledge and experience from which to begin and an equal opportunity to make a just and proper choice.

Yours sincerely,

A handwritten signature in dark ink, reading "Robert W. B. Jackson". The signature is written in a cursive style with a large, sweeping "J" and a long, horizontal tail stroke.

Robert. W. B. Jackson,
Commissioner.

FOREWORD

Since the publication of my First Interim Report, the Commission has received and analyzed many studies on new research and a large number of written briefs from individuals and agencies, boards and groups. I have also listened to presentations at the many hearings of the Commission held across the province. Through all this information has come recognition of the confusion and discomfort that is prevalent among the teachers, administrators and policymakers of our education system.

These people have already demonstrated that they can revise their own professional and public-service career plans as roles and conditions of public education change. They are used to operating under some uncertainty about future conditions. What they are finding more difficult to accommodate to now are fears of sudden reductions in resources, uncertainty about future demands for their services and a perceived absence of interim policies to provide for a graceful transition to new scales of operation and possible reorganizations.

This uncertainty and confusion are adding to the problems we are already experiencing as a result of declining enrolments and changing financial circumstances. Some of those problems have reached the point where immediate responses are needed. That is why I venture now into what I have already described as the business of the Final Report: I will make some recommendations. Since the problems are dealt with more or less in isolation, as well as because I am still absorbing the information in the briefs and research reports, some of the recommendations I offer for immediate action may not be the same ones I offer in the Final Report for a long-run response to the same problems. I hope that the reactions to the recommendations here will become another source of information affecting the final ones.

The first part of this report deals with demography (the study of the source of the demand for the services of our school systems) and public finance (our general machinery for meeting those demands). The discussions here are intended to concentrate our attention on the relationships between our policies for taxation, grants and spending, and the many possible ways we can respond to our problems.

The second part of the report deals with seven aspects of the business of running our schools: (1) structure, (2) finance, (3) programs, (4) administration, (5) teacher education, (6) personnel and (7) facilities. The recommendations made here have as their main intent the encouragement of more discussion and better articulation of some specific emerging problems, and more immediate reaction on the part of the provincial government and school boards to bring about some short-run amelioration of conditions that need not necessarily wait upon more inclusive policies to be formulated.

The main concern of this Interim Report is the effects of declining enrolments, especially with the more direct ones. It will be left to the next generation of historians and social scientists to deal with the grander phenomenon, the totality of the direct and indirect effects of declining enrolments and decreasing numbers of youths.

Declining school enrolments, as well as the decreases in numbers of children and youths behind it, have important effects upon the economic and social development of our province and country. At the same time social and economic developments are determining the conditions under which our schools and our education policymakers operate. It is not my assignment to specify the exact cause and effect relationships in this case. It is sufficient for my purposes to note the association between declining enrolments and the slowdown in our economy that has characterized the middle and late years of this decade.¹ With the exception of some decline in the early elementary school years in the late 1960's and early 1970's, the declines in enrolments have occurred during a period when our economy has been much less buoyant than it had been for many years. Unfortunately,

¹See David Foot's "Resources and Constraints: Public Education and the Economic Environment in Ontario 1978 - 1987". Working Paper No. 1, Commission on Declining School Enrolments in Ontario, 1978.

there is no way we can insulate our school systems from developments in the economy and society they serve, and which sustain them. Those developments are part of what we so often call the "real world", where those events take place which we often accuse school-people of not noticing or appreciating. In fact, of course, school-people have never been unaware of, or able to escape from, events in the larger world, but it is certainly the case now that the conditions under which they operate are very sensitive to changes in economic and social conditions.

As always we live in a world of constraints, and for the foreseeable future the ones that will seem the most burdensome to us can be called economic and financial, clearly beyond the control of school authorities, and probably even of education policymakers at any level. Indeed there is ample reason to doubt policymakers and their advisers in any area or at any level can ease those harsh realities.

As can be expected, some economists are more optimistic than others about the immediate and longer range future of Ontario and Canada. Some of them say or imply that we are on the edge of a serious economic downturn or even a long period of disappointing performance. Whether or not it is appropriate to use such a strong term as recession when referring to the less than satisfactory current performance of our economy, or depression when referring to some of the dire predictions, I don't hesitate to say times are tough, at least by those two important measures of economic discomfort, inflation and unemployment. They promise to get even tougher. I would make this prediction as a demographer looking at the large cohorts of young adults about to enter the labour market, even if I did not have the projections of economists indicating the same harsh facts.

We must live with these realities, in the administration of our school systems and in making education policy no less than in other areas of our activities. For some period of time, perhaps quite a long period, we will have to adapt to a sluggish economy, an eroding dollar and disconcertingly high unemployment. Even some of the palliatives we resort to as a part of that adaptation, such as "indexing", higher minimum wages and liberal

unemployment insurance policies, unless carefully controlled may exacerbate our discomfort as measured by these indexes. Finally, we must acknowledge the possibility of "real" inflation, if not like that of Germany in the early 1920's or China in 1949, then the less dramatic but debilitating "double digit" kind that has plagued so many societies during the last decade. Of all our constraints, none loom more ominously than those emanating from inflation. Ironically, education, like some other public service industries, must expect problems not only from inflation itself, but also from policies and strategies intended to combat it.

I am more than confident that we can "sweat it out" and survive our current social and economic problems. Moreover, I am almost as confident that the public education system will continue to serve the people of Ontario effectively long after the problems of our day have been overcome and become part of history. But it is becoming increasingly apparent that it will be more of a struggle than we have been conditioned to expect and all parts of our society will have to pay a part of the costs and share the trials and tribulations, as well as the benefits. No group, not even the teachers and other educators at any level of the system, can hope to escape unscathed. They must be prepared to exert strenuous efforts to plan alternative strategies to ensure that they get their "rightful shares". But they cannot expect or insist upon perfect protection against the discomforts of accommodating to the new times.

Surprisingly, it seems like only yesterday that positive, expansive and optimistic reports on public policy for education were the order of the day. In fact, it has been only six years since Wally Worth prepared "A Future of Choices; a Choice of Futures" for his Alberta commission. It was only ten years ago that the forward-looking report on the aims and objectives of education, "Living and Learning", was published by the Hall-Dennis Commission for Ontario. It dealt with what the experience of passing through the schools of Ontario should be and had very little to say about any difficult accommodation to economic conditions. But neither the Worth nor Hall-Dennis "vision" was inappropriate to its time. Indeed, both were realistic and probably made significant contributions to the healthy evolution of education policy and practice in their provinces.

If the economy of the 1970's were as ebullient as that of the 1960's we might still be pursuing goals of improved education with unabated enthusiasm and single-minded zeal. Nevertheless, there would still have been some difficult decisions to make because of declining enrolments, since money is not free nor taxes popular even in the best of times. But better economic conditions would certainly have made possible more concentration on improving the quality of education and less upon accommodating to new conditions.

It is not my lot to be the Commissioner recommending policy for an expanding public service industry serving a buoyant economy. I have, however, had my share of assignments in education planning under such conditions. Having been involved now with planning for a contracting system in a less buoyant economy, I hasten to say that the former is the better job. To make matters worse today, our social and economic future for at least the next decade seems to have been chosen for us by circumstances at home and abroad over which we had little control. We must adjust to those new circumstances, rather than change them. More correctly, perhaps, we must adjust to them before we can change them, or even so that we can change them.

One of the most startling consequences of declining enrolments on economy and society has been the disappearance of a great employment opportunity in education for a very large portion of young, well educated white collar workers at the same time as jobs were disappearing in government (i.e., mainly the civil services). That meant that young, university-educated people were among the first to suffer from the "new realities". In the near future, as the largest cohorts of new graduates come from the universities, they will face fewer and fewer opportunities in their traditional work places. The frustrations they will face is part of the reason that a report on education in 1978 must concentrate on the connections between school and the economy and society, even if it means de-emphasizing the very important phenomenon of what happens in school.

I am not surprised that our young people feel angry and rebellious. Even though the demonstrations of those feelings are tame compared to the dramatic ones sparked by frustrations of quite different origin in the 1960's and very early 1970's, there are many reasons for concern. The new

adults are better educated, or more educated at any rate, than any cohort before them. Their levels of expectation are, or until very recently have been, high and it is sometimes said they have lower tolerance for delay and disappointment than earlier young adults. There have already been outbursts of unfocussed anger and, what may be more dangerous, a disturbing spread of depression and apparent disinterest.

If the frustrations being felt by these youths are as intense as I perceive them to be, the potential for dangerous manifestations is considerable. There are two elements to a strategy I would recommend for reducing this danger: first, a very candid presentation of the conditions, constraints and options our policymakers face and second, prompt selection by governments of those options that present young people with the best opportunities to cope with current economic and political conditions and to profit from their own initiative and labour.

The discontent, frustrations and disappointments I have referred to are not associated with only the most recent school leavers or the youngest members of the labour force. During the hearings of the Commission across this province I sensed among teachers a degree of despair, even hopelessness, in response to the initial shock of accepting the facts of declining enrolments, economic stagnation and inflation. Young teachers (and most teachers are quite young) reacted with disbelief at finding themselves in conditions that "were not supposed to happen" in their time and place. Certainly the possibility of their own unemployment was a fact of life few of them were prepared to accept.

I am happy to report that in the months the Commission has been at work there has been an observable change in the attitudes of many teachers. The facts of declining enrolments, economic constraints and staff redundancy are seldom contested now. There is demonstrated a determination to study energetically all aspects of the new situation of our schools and to help plan for the best possible futures -- for students, for teachers, for parents and taxpayers of Ontario. The new attitude has been energetically promoted by the Ontario Teachers' Federation and its affiliates. This change has been the happiest development I have been witness to this year, and if the work of this Commission has contributed to it, I cannot think of a better way to have spent the year.

SECTION A: The Demographic and Financial Background

Recent Population and School Enrolment Projections

The two important variables that must be considered in estimating future school enrolment are net migration and size of family, the basic ingredients in population projections.

I have just received and had analyzed three special population projections prepared for us by Statistics Canada, according to our specifications for levels of net migration into Ontario. These were combined with three possible levels of future size of family to produce nine computer projections for anticipated populations to 2001, giving both totals and age groups.

Two net migration projections are based on what now appear to be likely possibilities for the future -- roughly 25,000 and 50,000 immigrants annually. The third assumes zero net immigration (interprovincial as well as international). Though mainly of theoretical interest, this projection yields not only a check on the other two migration projections, but also a clear picture of what our position would be if, for some unforeseen reason, we were unable to supplement our human resources through our traditional means of immigration. This is not that far-fetched an idea; the number of immigrants generally drops very dramatically during periods of economic recession.

The first of the likely migration projections assumes a decrease in net migration from the 1976 level of 46,000 persons to only 25,000 for 1986 and then a constant level thereafter. The second assumption is for a decrease to 35,000 by 1983 and then an increase to 50,000 by 1990 and a constant level thereafter. In each case the numbers are distributed by age in accordance with recent experience. In light of recent changes in the federal immigration regulations, our continuing high levels of unemployment and practically zero net interprovincial migration,¹ it seemed to me unreasonable to postulate a maximum level higher than 50,000 net combined international and interprovincial migration annually for the foreseeable future.

¹Actually negative in March, 1978 (which resulted in a net loss of 127 children), positive in April, 1978 (a net gain of 118 children), but negative again in May, 1978 (a net loss of 194 children).

For size of family assumptions I chose, first, one used in the March, 1978, projections issued by Statistics Canada -- a decrease from the present level to 1.5 by 1983 and a constant level thereafter. The second is one I have used before in my preliminary approximations and which I still believe seems, in light of our recent trends, to be the most reasonable level to expect in Ontario by 1983 and thereafter -- 1.6.¹ The third assumption is for 1.75 children per family throughout the rest of this century, which is, as nearly as I can determine, the level Ontario reached in 1977.²

The age groups selected and shown in the population projections of Table 1 (fertility 1.6, migration 50,000) give us a clear picture of the most significant cross-sections of age distribution:

The preschool age group shows two declines. The second starts in 1990 and continues to the end of the century (sustaining a loss of about 54,900 during the twelve years to 2001, which naturally foreshadows further declines in elementary and eventually secondary school enrolments). The crest of the Baby Boom potential parents, 18-32 years, is reached in 1985 and drops steadily from then to 2000.

The young labour force age group, 19-24, should peak in 1984 (the age group 19-21 peaks in 1982), before dropping by about 176,600 from 1984 to the end of the century.

However, the main potential labour force increases steadily throughout the rest of this century, and the senior citizens 65 and over will increase from 738,910 in 1976 to 1,297,965 in 2001, i.e., by about 559,000 persons or 75.7 percent.

Total population should also increase steadily throughout the rest of the century, although the rate of annual increase will drop from 1.27 percent at the beginning to 0.66 percent in the

¹See Table 1 for the population projections of all the major age-groups at this fertility level and net annual migration of 50,000 by 1990.

²Preliminary figures for live births in Ontario up to the end of April of this year are below those of the similar 1977 period, totalling only 40,128 for the four months. Since the number of births in 1977 was below the 1976 level, it seems the decline is continuing.

last year (about half the rate, and in actual numbers from an increase of about 105,300 to one of about 69,250 persons).

The age group 60-64, which I have labelled the "early retirement" group, is a particularly interesting one because it changes very little in size from 1984 to 1998, and then starts to increase very rapidly to 2001, indicating that the "senior citizens" will increase in number quite sharply after the turn of the century.

I have added Table 1(a), which is equivalent to Table 1 in every respect except that net migration is assumed to be zero. It shows the conditions we would encounter (that might make our present problems seem insignificant by comparison) if our fertility rate drops to the 1.6 child family and no net interprovincial and international migration into Ontario occurs. Zero migration is a highly unlikely event, as noted earlier, but the table does reveal the effects of a low fertility rate. For instance, note that:

The preschool group (0-4 years) would drop from 607,195 in 1976 to 602,751 in 1978 and then increase slightly to a high of 609,389 in 1981, followed by a steady decline to only 498,202 in 2001, or a loss of 111,187 children (18.2 percent) from 1981.

The elementary school age group (5-13 years) would continue to decline from 1,302,395 in 1976 to 1,085,670 in 1987, increase by a few thousand to reach a peak of 1,089,800 in 1990 and then continue in a sharp decline (with no sign of a change in trend) to a low of 1,011,301 in 2001, which would be 291,094 below the 1976 level (or 22.4 percent).

The secondary school age group (14-18 years) would fall without interruption from 820,940 in 1978 to a new low for the table of 599,256, or 221,684 fewer youths (a 27 percent loss) in 1991, before increasing very slightly and then declining again to about the same level of 600,000 by 2001.

The postsecondary age group would peak at 981,721 in 1983 and then decline by 264,763 to a new low for the table of 716,958 in 1998 before increasing slightly once more.

The pool of potential parents (18-32 years) increases to 2,335,344 in 1984, but then drops steadily to a low of

POPULATION PROJECTIONS: ONTARIO, 1977 TO 2001 BY SELECTED AGE GROUPS RELEVANT TO ENROLMENT, FERTILITY, LABOUR, OLD AGE

ASSUMPTIONS: FERTILITY 1.6; NET ANNUAL MIGRATION 50,000

TABLE 1

YEAR	AGE GROUP										TOTAL POPULATION
	Preschool 0 - 4	Elementary 5 - 13	Secondary 14 - 18	Post- Secondary 19 - 24	Fertility 18 - 32	Labour 18 - 59	Early Retirement 60 - 64	Old Age 65 - 69 70 +			
1976*	607,195	1,302,395	815,995	900,555	2,136,105	4,631,355	326,310	260,915	477,995	8,264,490	
1977	601,746	1,271,856	827,846	923,391	2,196,750	4,742,373	326,724	270,391	489,623	8,369,762	
1978	600,712	1,239,726	826,773	944,458	2,260,365	4,858,069	325,650	277,640	502,779	8,473,401	
1979	604,289	1,208,998	823,284	965,272	2,325,544	4,976,531	325,464	285,142	516,978	8,575,769	
1980	606,786	1,188,716	811,013	984,749	2,356,264	5,077,512	334,199	293,962	530,938	8,676,241	
1981	613,026	1,172,617	789,024	998,343	2,392,724	5,176,207	349,092	296,761	547,396	8,774,896	
1982	617,016	1,166,955	756,731	1,011,245	2,427,689	5,266,383	369,240	297,235	564,856	8,871,628	
1983	620,307	1,162,378	726,301	1,019,446	2,457,113	5,349,918	390,798	296,332	581,550	8,966,031	
1984	623,097	1,153,446	707,133	1,019,953	2,475,003	5,426,214	409,091	296,403	599,317	9,062,213	
1985	626,235	1,143,641	699,263	1,007,447	2,483,746	5,495,676	417,606	304,758	618,027	9,160,331	
1986	629,360	1,141,790	692,370	980,795	2,481,451	5,557,756	423,720	318,645	633,622	9,260,134	
1987	632,059	1,144,705	689,827	952,048	2,475,576	5,622,809	423,260	337,307	648,076	9,361,248	
1988	634,390	1,152,013	684,176	920,835	2,468,745	5,694,330	423,195	357,092	660,222	9,462,628	
1989	635,882	1,158,566	674,440	898,139	2,464,758	5,770,814	421,821	373,772	673,743	9,564,030	
1990	635,752	1,169,642	659,645	882,874	2,452,096	5,839,185	422,721	381,659	694,921	9,665,145	
1991	634,127	1,178,297	654,569	869,632	2,433,588	5,903,909	422,678	387,303	717,664	9,763,597	
1992	631,188	1,185,999	654,140	860,256	2,408,221	5,965,955	423,376	386,896	743,071	9,859,176	
1993	627,119	1,192,213	658,614	854,861	2,379,842	6,027,396	425,467	386,836	767,324	9,951,745	
1994	622,097	1,197,006	662,366	851,421	2,341,169	6,088,172	426,338	385,508	789,942	10,041,202	
1995	616,337	1,200,197	670,097	838,938	2,310,441	6,152,292	424,146	386,257	811,486	10,127,510	
1996	610,077	1,201,564	675,746	827,295	2,278,171	6,215,943	423,289	386,173	832,401	10,210,680	
1997	603,616	1,201,361	680,703	823,463	2,249,260	6,281,219	422,787	386,753	850,250	10,290,776	
1998	597,243	1,199,280	684,927	824,437	2,226,140	6,345,339	422,087	388,651	867,361	10,367,922	
1999	591,218	1,194,754	689,225	829,942	2,212,597	6,407,142	426,617	389,408	881,839	10,442,251	
2000	585,755	1,188,215	693,199	834,659	2,207,288	6,468,493	432,600	387,447	897,178	10,513,941	
2001	581,017	1,180,086	696,444	843,340	2,209,926	6,526,053	441,093	386,746	911,219	10,583,194	

* Actual

TABLE 1(a)
POPULATION PROJECTIONS: ONTARIO, 1977 TO 2001 BY SELECTED AGE GROUPS RELEVANT TO ENROLMENT, FERTILITY, LABOUR, OLD AGE
ASSUMPTIONS: FERTILITY 1.6; NET ANNUAL MIGRATION ZERO

YEAR	AGE GROUP										TOTAL POPULATION
	Preschool 0-4	Elementary 5-13	Secondary 14-18	Post- Secondary 19-24	Fertility 18-32	Labour 18-59	Early Retirement 60-64	Old Age 65-69	70+		
1976*	607,195	1,302,395	815,995	900,555	2,136,105	4,631,355	326,310	260,915	477,995	8,264,490	
1977	602,938	1,262,335	823,791	915,332	2,174,339	4,711,251	325,981	269,837	489,038	8,325,332	
1978	602,751	1,220,935	820,940	929,493	2,216,930	4,796,490	324,192	276,536	501,563	8,385,200	
1979	606,085	1,181,541	816,766	944,523	2,261,937	4,884,783	323,326	283,499	515,090	8,444,204	
1980	606,640	1,154,363	797,057	958,705	2,273,900	4,956,170	331,425	291,760	528,350	8,502,049	
1981	609,389	1,133,206	772,061	967,804	2,293,426	5,025,824	345,716	293,994	544,061	8,558,775	
1982	608,330	1,124,700	736,383	976,902	2,313,451	5,087,669	365,305	293,897	560,747	8,614,512	
1983	607,088	1,117,403	702,230	981,721	2,330,091	5,143,701	386,360	292,445	576,630	8,668,908	
1984	605,753	1,105,125	678,571	978,815	2,335,344	5,190,392	404,140	291,953	593,495	8,722,197	
1985	605,039	1,091,768	665,407	962,359	2,331,137	5,228,347	412,131	299,733	611,210	8,774,844	
1986	604,483	1,086,620	652,225	931,478	2,315,268	5,256,525	417,707	313,031	625,716	8,826,433	
1987	603,562	1,085,670	643,660	897,718	2,294,997	5,285,366	416,662	331,086	638,984	8,876,567	
1988	602,206	1,087,884	632,949	860,795	2,272,804	5,318,374	415,976	350,270	649,864	8,924,213	
1989	599,839	1,087,467	619,811	831,724	2,252,357	5,353,726	413,918	366,338	662,045	8,969,069	
1990	595,692	1,089,800	603,466	808,974	2,221,739	5,378,003	414,072	373,607	681,808	9,010,821	
1991	589,919	1,088,338	599,256	787,459	2,185,545	5,398,042	413,246	378,646	703,088	9,049,205	
1992	582,703	1,086,635	599,097	770,052	2,143,653	5,415,607	413,147	377,617	726,983	9,084,043	
1993	574,288	1,084,148	602,435	757,941	2,100,418	5,433,539	414,375	376,932	749,709	9,115,241	
1994	564,936	1,080,797	603,011	749,720	2,048,803	5,451,680	414,337	374,948	770,779	9,142,753	
1995	554,952	1,076,232	605,764	734,211	2,006,866	5,474,107	411,183	375,015	790,761	9,166,600	
1996	544,657	1,070,045	604,733	721,625	1,962,981	5,494,991	409,281	374,217	810,092	9,186,850	
1997	534,366	1,062,362	603,518	717,197	1,921,964	5,516,325	407,745	374,071	826,312	9,203,619	
1998	524,365	1,052,794	602,209	716,958	1,886,158	5,535,815	405,675	375,181	841,794	9,217,073	
1999	514,892	1,040,814	601,515	719,958	1,859,703	5,552,279	408,662	375,112	854,607	9,227,384	
2000	506,128	1,026,832	600,976	720,265	1,841,484	5,567,858	412,815	372,275	868,256	9,234,760	
2001	498,202	1,011,301	600,060	722,889	1,831,647	5,579,464	419,150	370,624	880,575	9,239,426	

* Actual

1,831,647 in 2001, a loss of about 504,000.

The main labour force group (18-59 years) increases slowly but steadily throughout the period (a condition unlikely to encourage immigration, by the way), increasing by 948,109 persons from 1976 to 2001.

The early retirement group (60-64 years) and the senior citizens group (65 years and over) are not very different in either trends or numbers in the two tables -- the senior citizens would be 1,251,199 by 2001 with zero migration as compared with 46,766 more with migration.

The total population in 2001 is of course affected substantially by immigration: 9,239,426 in Table 1(a) versus 10,583,194 in Table 1, or a difference of 1,323,768 persons since 1976 (16.3 percent extra growth).

For present purposes, I am concerned solely with the age groups from these projected population figures which constitute the "stock" of children and youth for our elementary and secondary schools. Accordingly, in Tables 2 and 3 I show for each of the nine population projections (the specific assumptions used are specified in the footnote to each table) the projected numbers in the age groups 5-13 years for elementary schools and 14-18 years for secondary schools. The data are presented in line graph format in Chart 1 (for the 5-13 years age group) and in Chart 2 (for the 14-18 years age group).

You should note, first, how greatly such projections are affected by changes in the assumptions, i.e., in fertility rate and in level of net migration, and the very large differences which arise when high fertility and high net migration are combined, as compared, for instance, with low fertility combined with zero migration. The change in fertility level has the greatest effect, especially that between family size of 1.5 and 1.75 children.

Of course, since the children have already been born, changes in fertility levels do not affect the tables until after 1982 for the 5-13 age group and until after 1991 for the 14-18 age group (see the lines of

TABLE 2

CURRENT POPULATION PROJECTIONS : AGE GROUP 5 - 13 YEARS, 1977 TO 2001

(Based on Special Calculations by Statistics Canada for The Commission on Declining School Enrolments in Ontario)

YEAR	POPULATION PROJECTION					
	Low Fertility (1)		Medium Fertility (2)		High Fertility (3)	
	ZERO	25,000	50,000	ZERO	25,000	50,000
1976 (Actual)	1,302,395	1,302,395	1,302,395	1,302,395	1,302,395	1,302,395
1977	1,262,335	1,271,708	1,271,856	1,262,335	1,271,708	1,271,856
1978	1,220,935	1,239,499	1,239,726	1,220,935	1,239,499	1,239,726
1979	1,181,541	1,208,453	1,208,998	1,181,541	1,208,453	1,208,998
1980	1,154,363	1,187,808	1,188,716	1,154,363	1,187,808	1,188,716
1981	1,133,206	1,171,299	1,172,617	1,133,206	1,171,299	1,172,617
1982	1,124,700	1,165,160	1,166,955	1,124,700	1,165,160	1,166,952
1983	1,117,107	1,159,614	1,162,080	1,117,403	1,159,912	1,162,378
1984	1,103,817	1,148,091	1,152,117	1,105,125	1,149,421	1,153,446
1985	1,088,708	1,134,155	1,140,512	1,091,768	1,137,282	1,143,641
1986	1,080,437	1,125,936	1,135,432	1,086,620	1,132,289	1,141,790
1987	1,074,415	1,120,121	1,133,067	1,085,670	1,131,746	1,144,705
1988	1,070,019	1,116,816	1,133,454	1,087,884	1,135,349	1,152,013
1989	1,062,080	1,111,538	1,132,087	1,087,467	1,137,968	1,158,566
1990	1,056,875	1,110,475	1,135,185	1,089,800	1,144,882	1,169,642
1991	1,047,884	1,107,143	1,135,824	1,088,338	1,149,486	1,178,297
1992	1,038,979	1,103,394	1,135,793	1,086,635	1,153,398	1,185,999
1993	1,030,063	1,099,178	1,135,015	1,084,148	1,156,078	1,192,213
1994	1,021,097	1,094,525	1,133,604	1,080,797	1,157,505	1,197,006
1995	1,012,377	1,089,817	1,132,060	1,076,232	1,157,378	1,200,197
1996	1,004,091	1,085,293	1,130,791	1,070,045	1,155,311	1,201,564
1997	995,964	1,080,746	1,129,657	1,062,362	1,151,490	1,201,361
1998	986,995	1,075,206	1,127,717	1,052,794	1,145,581	1,199,280
1999	975,761	1,067,231	1,123,477	1,040,814	1,137,074	1,194,754
2000	962,649	1,057,244	1,117,342	1,026,832	1,126,428	1,188,215
2001	948,071	1,045,702	1,109,702	1,011,301	1,114,134	1,180,086

Fertility Levels: Low is 1.5 child family by 1983; Medium 1.6 child family by 1983; High 1.75 child family by 1977.

Migration Levels: Decrease from 46,000 in 1976 to migration level of 25,000 by 1986; decrease to 35,000 by 1983 and then increase to 50,000 by 1990.

TABLE 3

CURRENT POPULATION PROJECTIONS : AGE GROUP 14 - 18 YEARS, 1977 TO 2001

(Based on Special Calculations by Statistics Canada for The Commission on Declining School Enrolments in Ontario)

YEAR	POPULATION PROJECTION					
	Low Fertility (1)		Medium Fertility (2)		High Fertility (3)	
	Migration		Migration		Migration	
	ZERO	25,000	50,000	ZERO	25,000	50,000
1976 (Actual)	815,995	815,995	815,995	815,995	815,995	815,995
1977	823,791	827,788	827,788	827,788	823,791	827,788
1978	820,940	826,651	826,651	826,651	820,940	826,651
1979	816,766	823,017	823,017	823,284	816,766	823,017
1980	797,057	810,564	810,564	811,013	797,057	810,564
1981	772,061	788,369	788,369	789,024	772,061	788,369
1982	736,383	755,825	755,825	756,731	736,383	755,825
1983	702,230	725,170	725,170	726,301	702,230	725,170
1984	678,571	705,392	705,392	707,133	678,571	705,392
1985	665,407	696,464	696,464	699,263	665,407	696,464
1986	652,225	688,150	688,150	692,370	652,225	688,150
1987	643,660	684,034	684,034	689,827	643,660	684,034
1988	632,949	676,568	676,568	684,176	632,949	676,568
1989	619,811	664,861	664,861	674,440	619,811	664,861
1990	603,466	647,980	647,980	659,645	603,466	647,980
1991	599,256	640,750	640,750	654,569	599,256	640,750
1992	598,803	637,682	637,682	654,140	599,097	638,870
1993	601,131	638,544	638,544	658,614	606,347	643,844
1994	599,961	637,713	637,713	662,366	612,161	650,179
1995	599,601	639,337	639,337	670,097	622,106	662,451
1996	593,514	636,931	636,931	675,746	629,822	674,394
1997	586,005	632,781	632,781	680,703	638,037	701,648
1998	578,208	628,034	628,034	684,927	644,945	716,513
1999	571,747	624,382	624,382	689,225	650,287	729,488
2000	566,815	622,024	622,024	693,199	706,525	740,341
2001	563,477	621,010	621,010	696,444	713,376	748,866
					717,858	755,018

Fertility Levels: Low is 1.5 child family by 1983; Medium 1.6 child family by 1983; High 1.75 child family by 1977.

Migration Levels: Decrease from 46,000 in 1976 to migration level of 25,000 by 1986; decrease to 35,000 by 1983 and then increase to 50,000 by 1990.

CHART 1

ACTUAL AND PROJECTED 5-13 AGE GROUP IN ONTARIO, 1961-2001

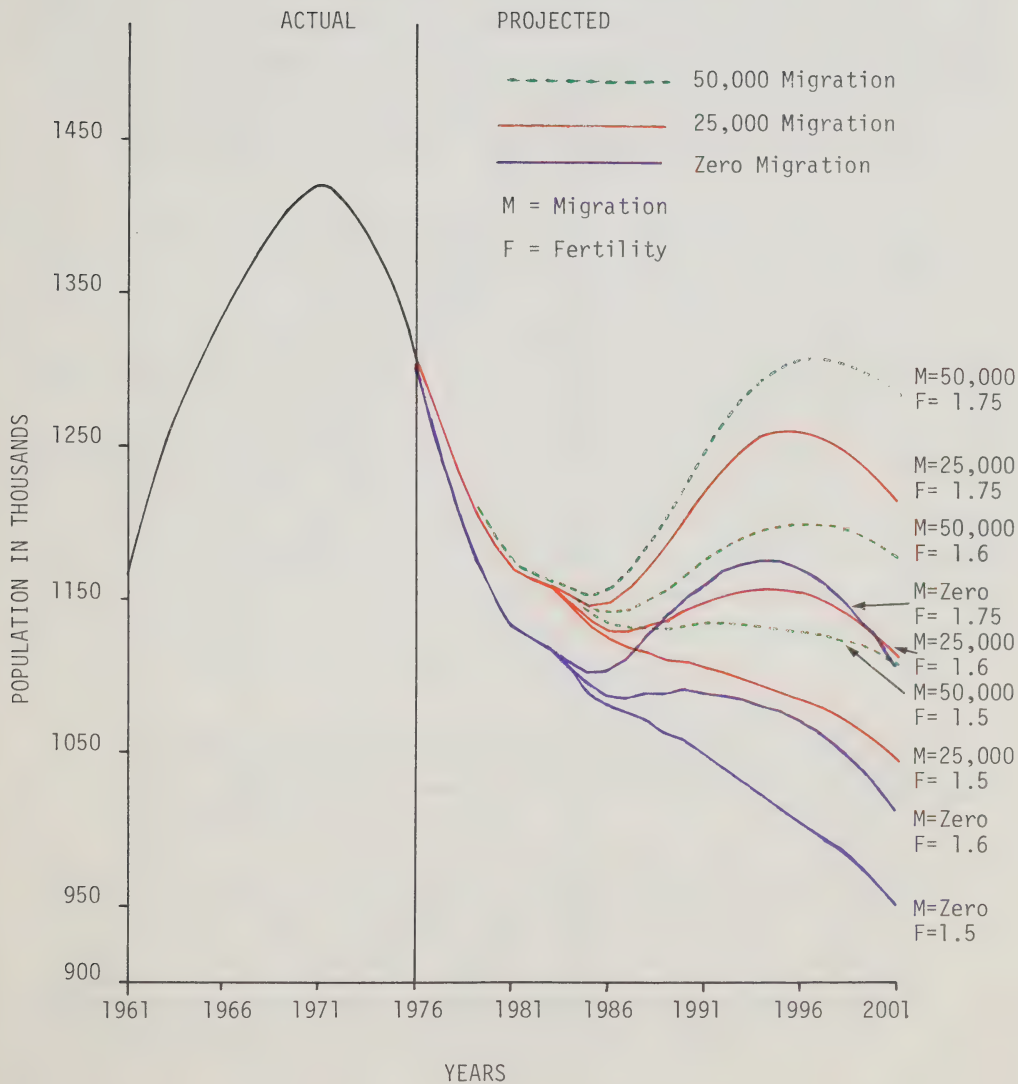
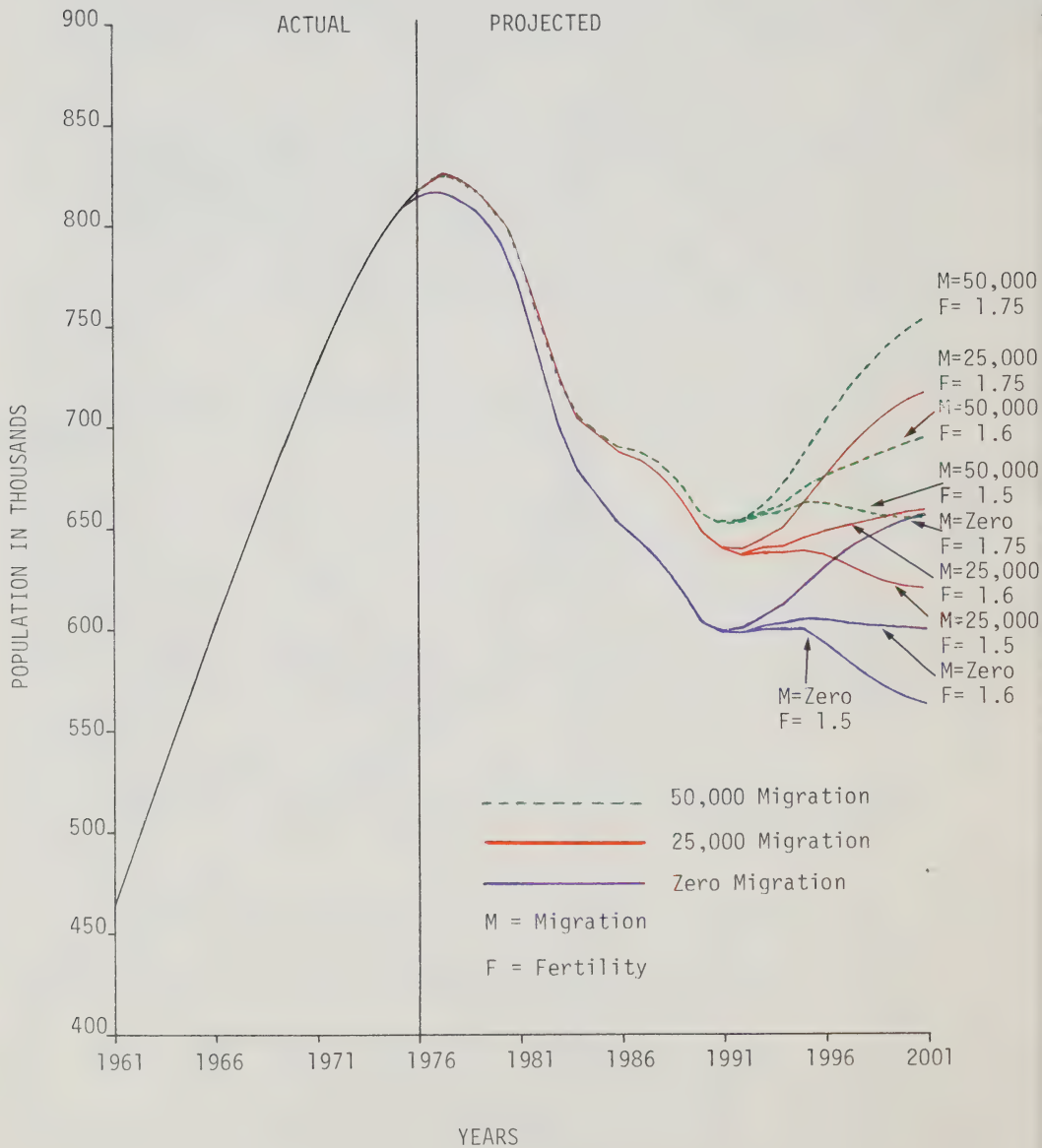


CHART 2

ACTUAL AND PROJECTED 14-18 AGE GROUP IN ONTARIO, 1961-2001



dashes in Tables 2 and 3, and the single trend lines in Charts 1 and 2). If the low fertility level is used (i.e., 1.5 child family), there is very little evidence of any Echo of the Baby Boom even with high net migration. It does appear with the medium fertility level with both the 25,000 and the 50,000 levels of net migration, and of course for all levels of net migration (including the zero level) if the high fertility level is assumed. The projections fan out quickly after 1982 in Table 2 and Chart 1, but even the most optimistic of the lot barely exceeds the 1976 level before beginning another fairly steep decline. For the age group 14-18 years shown in Table 3 and Chart 2, the climb after 1991 of even the most optimistic projection does not quite reach the 1982 level (well below the 1976 level).

To obtain the general school enrolment projections desired at this stage, namely, a first approximation to the total elementary and secondary school enrolments, I used participation ratios based on experience and trends in recent years.¹ The results are given in Tables 4 and 5, and depicted graphically in Charts 3 and 4. The results, of course, are similar to those given in Tables 2 and 3 and Charts 1 and 2. I have provided these data to give the reader some indication of the likely trends of school enrolment in this province beyond the mid-1980's to the end of the century. By combining this information with that given later in this report about economic conditions in Ontario and recent developments in the means used to finance our school system, the reader will be in a much better position to assess the extent to which various alternative solutions are practical and capable of being accepted.

I hasten to add that detailed projections by grades, and by types of school as well as by boards, are now being calculated and will be published

¹Readers should be warned that the secondary school enrolment projections may prove to be too high if present trends in participation rates continue. Much to my surprise, the actual secondary school enrolment figure for September 30, 1977, turned out to be substantially lower than anticipated, and indeed barely exceeded the September 30, 1976, value. No obvious explanation is available, nor is there any evidence of a consistent trend, so I used the 1977 participation ratio in calculating subsequent values.

TABLE 4

PROJECTIONS OF TOTAL ELEMENTARY SCHOOL ENROLMENT, 1977 TO 2001 (JK TO GR. 8)
 (BASED ON PROJECTIONS OF AGE GROUP 5-13 YEARS, 1976 PARTICIPATION RATIO = 1.044295)

Year	1.5 Fertility			1.6 Fertility			1.75 Fertility		
	Zero Net Migration	25,000 Net Migration by 1986	50,000 Net Migration by 1990	Zero Net Migration	25,000 Net Migration by 1986	50,000 Net Migration by 1990	Zero Net Migration	25,000 Net Migration by 1986	50,000 Net Migration by 1990
1976**	1,360,085	1,360,085	1,360,085	1,360,085	1,360,085	1,360,085	1,360,085	1,360,085	1,360,085
1977	1,318,250	1,328,038	1,328,193	1,318,250	1,328,038	1,328,193	1,318,250	1,328,038	1,328,193
1978	1,275,016	1,294,403	1,294,640	1,275,016	1,294,403	1,294,640	1,275,016	1,294,403	1,294,640
1979	1,233,877	1,261,981	1,262,551	1,233,877	1,261,981	1,262,551	1,233,877	1,261,981	1,262,551
1980	1,205,495	1,240,422	1,241,370	1,205,496	1,240,422	1,241,370	1,205,496	1,240,422	1,241,370
1981	1,183,401	1,223,182	1,224,558	1,183,401	1,223,182	1,224,558	1,183,401	1,223,182	1,224,558
1982	1,174,518	1,216,771	1,218,645	1,174,519	1,216,771	1,218,645	1,174,519	1,216,771	1,218,645
1983	1,166,589	1,210,979	1,213,554	1,166,898	1,211,290	1,213,866	1,167,823	1,212,224	1,214,799
1984	1,152,710	1,198,946	1,203,150	1,154,077	1,200,335	1,204,538	1,158,174	1,204,498	1,208,704
1985	1,136,932	1,184,392	1,191,031	1,140,128	1,187,658	1,194,299	1,149,712	1,197,452	1,204,098
1986	1,128,294	1,175,809	1,185,726	1,134,752	1,182,444	1,192,366	1,151,872	1,200,024	1,209,960
1987	1,122,006	1,169,737	1,183,256	1,133,760	1,181,877	1,195,410	1,160,047	1,208,987	1,222,548
1988	1,117,415	1,166,285	1,183,660	1,136,072	1,185,639	1,203,041	1,173,165	1,224,041	1,241,497
1989	1,109,124	1,160,774	1,182,233	1,135,636	1,188,374	1,209,885	1,184,509	1,239,145	1,260,740
1990	1,103,689	1,159,663	1,185,468	1,138,073	1,195,563	1,221,451	1,198,751	1,258,780	1,284,803
1991	1,094,300	1,156,184	1,186,135	1,136,546	1,200,402	1,230,490	1,209,016	1,276,095	1,306,394
1992	1,085,000	1,152,269	1,186,103	1,134,768	1,204,488	1,238,533	1,218,054	1,291,710	1,326,081
1993	1,075,689	1,147,866	1,185,290	1,132,170	1,207,286	1,245,022	1,223,945	1,303,698	1,341,911
1994	1,066,326	1,143,007	1,183,817	1,128,671	1,208,777	1,250,027	1,266,504	1,311,900	1,353,819
1995	1,057,220	1,138,090	1,182,205	1,123,904	1,208,644	1,253,360	1,225,603	1,316,220	1,361,838
1996	1,048,567	1,133,366	1,180,879	1,117,443	1,206,486	1,254,787	1,221,212	1,316,639	1,366,124
1997	1,040,080	1,128,618	1,179,695	1,109,419	1,202,495	1,254,575	1,213,427	1,313,312	1,366,895
1998	1,030,713	1,122,832	1,177,669	1,099,428	1,196,325	1,252,402	1,202,499	1,306,563	1,364,502
1999	1,018,982	1,114,504	1,173,241	1,086,917	1,187,441	1,247,676	1,188,818	1,296,850	1,359,332
2000	1,005,289	1,104,075	1,166,835	1,072,316	1,176,323	1,240,847	1,172,868	1,284,709	1,351,881
2001	990,065	1,092,021	1,158,856	1,056,097	1,163,485	1,232,358	1,155,190	1,270,728	1,342,658

* Includes also Grades 9 and 10 in Roman Catholic Separate Schools.

** Actual

TABLE 5

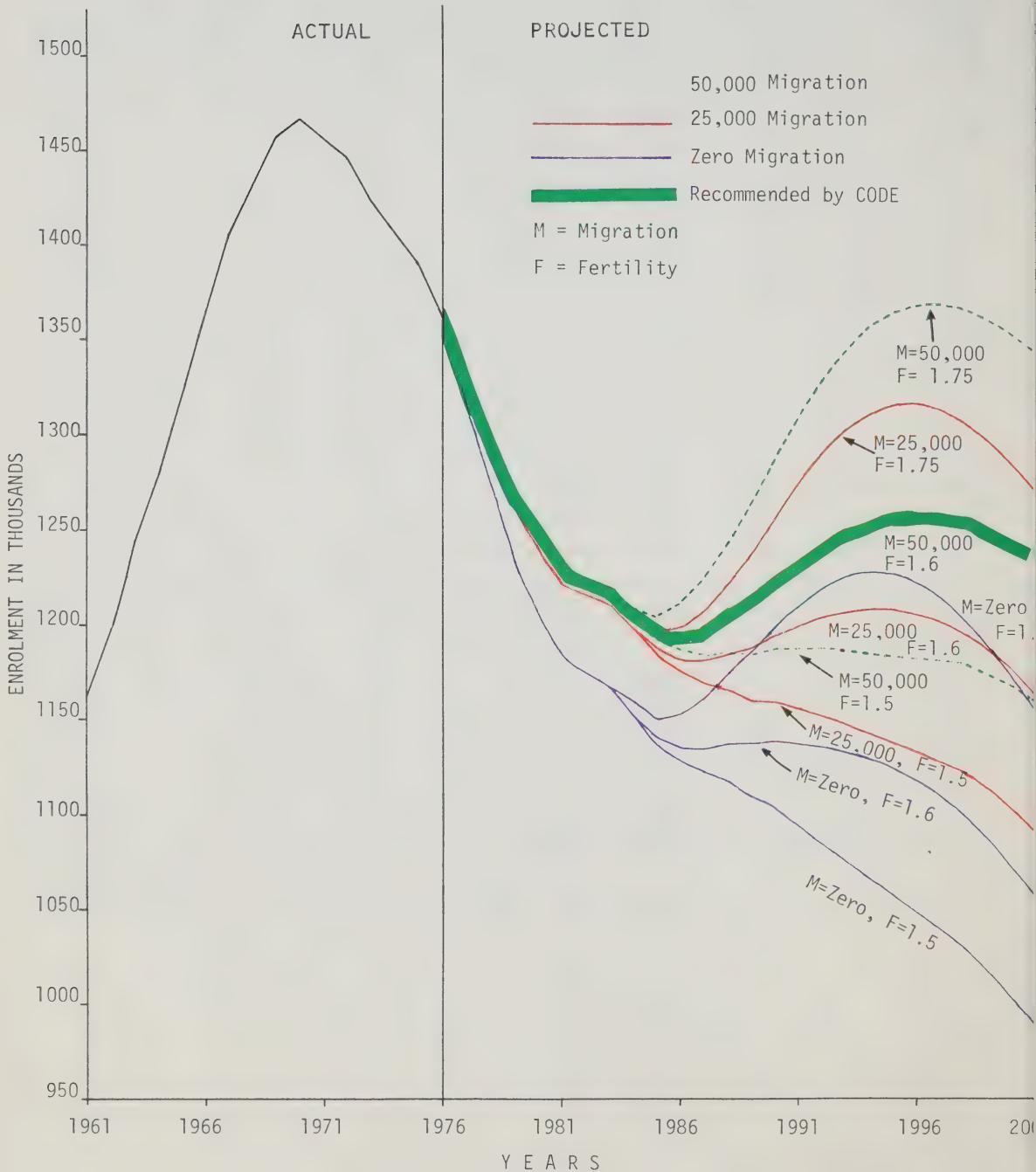
PROJECTIONS OF TOTAL SECONDARY SCHOOL ENROLMENT, 1977 TO 2001
(BASED ON PROJECTIONS OF AGE GROUP 14-18 YEARS, 1977 PARTICIPATION RATIO = 0.741457)

Year	1.5 Fertility			1.6 Fertility			1.7 Fertility		
	Zero Net Migration	25,000 Net Migration by 1986	50,000 Net Migration by 1990	Zero Net Migration	25,000 Net Migration by 1986	50,000 Net Migration by 1990	Zero Net Migration	25,000 Net Migration by 1986	50,000 Net Migration by 1990
1976*	613,055	613,055	613,055	613,055	613,055	613,055	613,055	613,055	613,055
1977*	613,830	613,830	613,830	613,830	613,830	613,830	613,830	613,830	613,830
1978	608,700	612,935	613,025	608,700	612,935	613,025	608,700	612,935	613,025
1979	605,605	610,240	610,438	605,605	610,240	610,438	605,605	610,240	610,438
1980	590,991	601,006	601,339	590,991	601,006	601,339	590,991	601,006	601,339
1981	572,458	584,550	585,035	572,458	584,550	585,035	572,458	584,550	585,035
1982	546,004	560,419	561,091	546,004	560,419	561,091	546,004	560,419	561,091
1983	520,680	537,690	538,528	520,680	537,690	538,528	520,680	537,690	538,528
1984	503,138	523,025	524,316	503,138	523,025	524,316	503,138	523,025	524,316
1985	493,377	516,405	518,480	493,377	516,405	518,480	493,377	516,405	518,480
1986	483,603	510,241	513,370	483,603	510,241	513,370	483,603	510,241	513,370
1987	477,253	507,189	511,484	477,253	507,189	511,484	477,253	507,189	511,484
1988	469,311	501,653	507,294	469,311	501,653	507,294	469,311	501,653	507,294
1989	459,569	492,972	500,075	459,569	492,972	500,075	459,569	492,972	500,075
1990	447,450	480,456	489,105	447,450	480,456	489,105	447,450	480,456	489,105
1991	444,329	475,095	485,341	444,329	475,095	485,341	444,329	475,095	485,341
1992	443,993	472,820	484,803	444,211	473,040	485,023	444,865	473,701	485,684
1993	445,719	473,459	487,357	446,686	474,442	488,341	449,586	477,389	491,289
1994	444,851	472,843	488,810	447,113	475,154	491,123	453,897	482,086	498,060
1995	444,584	474,047	492,156	449,154	478,743	496,855	461,271	491,186	509,308
1996	440,071	472,263	492,442	448,390	480,855	501,043	466,992	500,041	520,249
1997	434,503	469,186	491,223	447,489	482,663	504,719	473,083	509,179	531,271
1998	428,722	465,666	489,264	446,518	484,218	507,851	478,205	517,201	540,891
1999	423,931	462,959	487,882	446,004	486,055	511,038	482,166	523,865	548,938
2000	420,275	461,210	487,291	445,604	487,810	513,984	484,784	528,945	555,259
2001	417,800	460,458	487,662	444,925	489,047	516,390	485,934	532,268	559,821

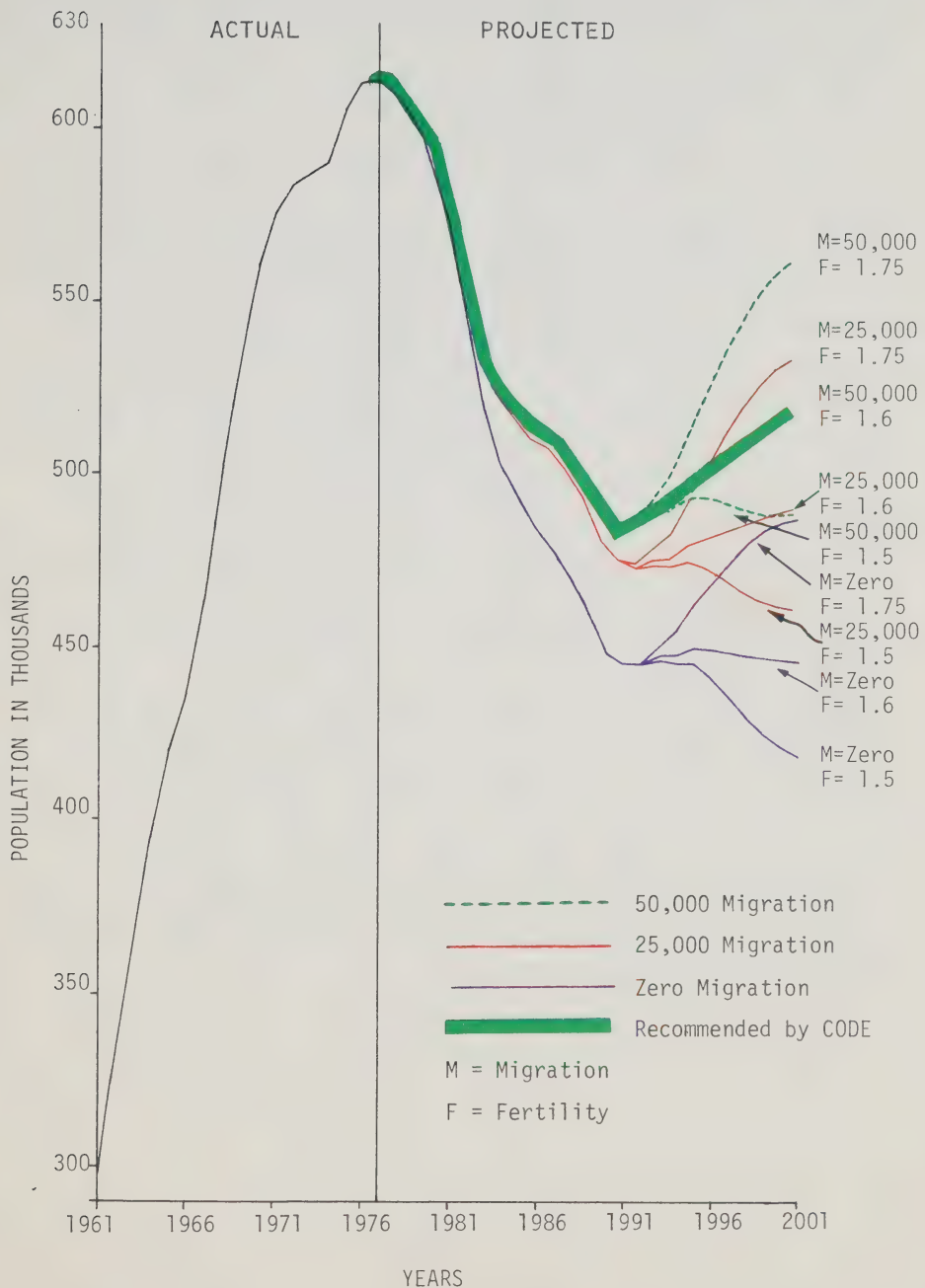
* Actual

15
CHART 3

TOTAL ACTUAL AND PROJECTED ELEMENTARY SCHOOL
ENROLMENT IN ONTARIO, 1961-2001



TOTAL ACTUAL AND PROJECTED SECONDARY SCHOOL ENROLMENT IN ONTARIO, 1961-2001



in full in the near future. While these will be needed for planning purposes, they are not needed at this juncture, and might indeed serve only to becloud the main issue, which is the need to determine as best we may what are likely to be the general trends and shape of the future in education in our province.

One final debt I owe to the reader, and that is to indicate which of these projections I believe will be the most likely. I recommend that planning be done on the basis of the data of the sixth column in Tables 4 and 5, i.e., on the assumption of an average family of 1.6 children from 1983 throughout the rest of this century and the assumption of a net migration level decreasing to 35,000 by 1983 and then increasing to 50,000 annually by 1990 and then a constant level thereafter, although I do recognize that for a time net migration may be reduced to the 25,000 level annually. (Much will depend, I am sure, on whether the federal government agrees to negotiate the net migration levels with the provinces.) The projections I recommend are indicated by heavy green lines in Charts 3 and 4. These projections are in general agreement with those I received from the Ontario Ministry of Treasury, Economics and Intergovernmental Affairs (TEIGA) and reported in my first Interim Report. I have in fact concluded that elementary school enrolment levels in Ontario will not recover very much during the rest of this century and that we most likely face at best (after 1986) a continued steady, although not very substantial, increase to the year 1996 when another decline will begin. For the secondary schools the decline is likely to continue without relief to 1992, to be followed by a quite slow but rather even increase to 2001, and then, later, by further sharp declines, unless conditions change markedly in the meantime.

HIGHLIGHTS OF PROJECTED SCHOOL ENROLMENTS

At the risk of possible repetition, I wish to draw attention once more to the two salient features of school enrolment trends:

- (1) The next ten to fifteen years are going to be rough ones as elementary school enrolments complete the rest of their steep plunge and secondary schools in many areas experience even steeper declines.
- (2) The worst of the sharp declines will be over by 1986 or 1987 in elementary schools, and by 1991 or 1992 in secondary schools. What we face in the foreseeable future after that will be at worst relatively gentle declines to the end of this century. At best we may even experience a brief period of gradual but slight increases before settling down again to continued declines. True, we may again encounter relatively steep declines after the beginning of the next century, since the number of "potential parents" will begin to decline after 1985 as the young women of the Baby Boom pass beyond the years of highest fertility (see Table 1). But this form of projection reaches so far into the future and is so dependent upon assumptions of unknown validity, that one can use it only as a faint and wavering indicator of the possible shape of things to come.

We can be fairly confident that we must brace ourselves and plan carefully and thoroughly how best to survive without serious damage to the programs of the elementary and secondary school systems for the next ten to fifteen years. After that, when we enter a period of relative calm and stability and even some growth, we can turn our full attention to the future we desire for our schools in the longer term. Perhaps we will want a steady contraction to a much lower level of operation, or alternatively an extension of schooling to other age groups - in cooperation with other agencies - so that our schools do in fact become available under new conditions to meet the needs of all sectors of the communities in which they are located.

In brief, what I am saying is that we must devise many imaginative short-term measures to see us through the rough waters of the next decade. That will take most of our time, energy and resources. Yet even now we can start planning and building for the voyage on the calmer waters below these rapids.

To support my conclusions I would refer the reader to the work of many eminent European demographers, a summary of which may be found in the substantial scholarly article entitled, "The Economic and Social Implications of Demographic Trends in Europe Up To and Beyond 2000", by Jean Bourgeois-Pichat, published in the Population Bulletin of the United Nations, No. 8, 1976. Readers interested in one of the most significant aspects of the Canadian patterns in demography should read the exhaustive article on Quebec entitled, "La fin de la revanch des berceaux: qu'en pensent les Québécoises?", by Jacques Henripin and Evelyne Lapierre-Adamyte, published by the Département de démographie, Université de Montréal, 1974.

Before we turn to the basic problems of declining enrolments and consider various solutions and recommendations for the immediate future, we must give the background in terms of revenues and expenditures on education in recent years, with some indication of possible future costs in these days of high inflation.

RECOMMENDATIONS

- 1) Plan for future enrolments on the assumption of an average family of 1.6 children from 1983 throughout the rest of this century and an annual net migration decreasing from 46,000 persons in 1976 to 35,000 by 1983 and increasing to 50,000 by 1990, then a constant level thereafter.

School Board Revenues and Expenditures

The constraints on our school systems that are of most concern to me at this point are the apparent financial limitations. I emphasize "apparent" because I really am not certain just what the limitations are that we will face in the immediate future, to say nothing of the longer-term future. There is no doubt there will be constraints, but it is very difficult to offer convincing forecasts of what they will be.

The first factor that must be considered in estimating future conditions is the state of the economy. Other things remaining the same, I am willing to assume that more money will be made available to the education sector if the economy is doing well than if it fares less than well.

In Ontario we have what are purported to be expert projections and forecasts of our economic future. One very impressive study was undertaken by Professor David Foot for this Commission.¹ It was a modification and updating of a much larger econometric study done for the Ontario Economic Council, and in addition to reporting on and projecting the usual variables by which we chart an economy's course, it focused upon some variables, in particular some financial flows, that are of especial interest to education planners and policymakers. As was discussed at some length in the First Interim Report of this Commission, that study presents a very convincing case that, unless there is some departure from current policies, the school boards of this province must expect a persistent erosion of their revenues expressed in real terms (constant value dollars) received in grants from the provincial treasury.

Of more interest to me at this point, however, is that this set of projections, like most other macro-economic projections and forecasts, presents some ambivalent information about both the present and probable future states of the economy. Depending upon the variables one chooses to emphasize, the provincial economy is faring moderately well or less than

¹David Foot, "Resources and Constraints: Public Education and the Economic Environment in Ontario, 1978-1987". Working Paper No. 1, Commission on Declining School Enrolments, 1978.

well. Gross provincial product is growing at a respectable rate (though not the rate we have come to expect), but growth in product per capita, and especially per worker, is less impressive and is anticipated to be quite disappointing well into the 1980's, at least. Unemployment is and will continue to be disconcertingly high, but at the same time the growth in employment is surprisingly rapid. I am left to wonder which macro variables will weigh most heavily in the decision-making processes of our education policymakers. At the heart of the problem here is the decisions yet to be made concerning the portion of the very modest growth in per worker product that will be allocated to private consumption and the portion that will go to public purposes.

Let us look at some variables that are "held constant" under the assumption that "other things will stay the same". One is policy. The province may continue some approximation of its present policy of grants to school boards and municipalities, or in the interest of property tax abatement (or for some other reason) it may significantly change the ratio of provincial/local support for some or all public services provided locally.

Another "constant" is the prevailing attitude toward expenditures in education as an investment in the future. We are much less impressed today than we were a decade ago by the "investment" value of marginal increases or decreases in education expenditures. But what would be the effects of a renewed faith in the certainty of high returns to marginal increases in these expenditures?

Other assumed "constants" are our notions about the relationships between education and manpower requirements and between education expenditures and the distribution of income or opportunities. Another is the prevailing view on the appropriate division of funds between elementary-secondary education and postsecondary education. There are many others.

I am grateful to have someone else's (David Foot's) projections of provincial grants to the boards. I have used them, making all the necessary assumptions about constancy, but at this point I am not offering any predictions on grants.

To return to the matters associated with general economic projections: some economists offer more optimistic projections than others, and there are some indications that optimism about our economic future is justified. However, I do not accept the more optimistic forecasts for Ontario's immediate economic future, and as a result I see some financial problems for our major service industries in the public sector, notably education.

The province has been running a budget deficit annually of well over a billion dollars since 1975-76 (\$1.8 billion in '75-'76, \$1.3 billion in '76-'77, \$1.6 billion (est.) in '77-'78 and \$1.1 billion (est.) in '78-'79).¹ A commitment to a balanced budget by 1981 was made in the 1977 Ontario Budget. The policy behind that commitment is based on an assumption that growth of the public sector in Canada has hindered growth in the private sector. Achieving the balanced budget is related to another policy, that of promoting private sector growth adequate to employ the major part of the large number of new members of the labour force expected in the next few years. A balanced budget will have to be achieved in large part by constraining expenditures and almost certainly by reducing them in real terms (constant value dollars) in some areas. In light of these facts, it is not surprising that the portion of the total expenditures of school boards paid by the province has been decreasing since 1975 (as shown in Table 6).

Although the total amount of provincial school grants grew by \$339 million between 1975 and 1978, this amount was almost neutralized by inflation. School boards, like municipalities, expected protection of the size of their grant revenues in accord with the Edmonton Commitment, but this commitment, as it pertains to school boards, has been reinterpreted recently to include the large amounts of money paid into the Teachers' Superannuation Fund by the province. The effect has been a reduction in the amounts that the province recognizes it is committed to pay in grants to the boards.

The entries in Table 6 refer only to operating expenditures (capital expenditures have decreased markedly in recent years). In 1967 school board expenditures surpassed \$1 billion for the first time. By 1970,

¹The government has just announced the 1978-79 deficit is now estimated to be \$1.4 billion (Toronto Star, July 28, 1978).

TABLE 6

SCHOOL BOARD EXPENDITURES
PROVINCIAL AND LOCAL CONTRIBUTIONS

(Ontario, 1967 to 1978: Operating Expenditures, Elementary & Secondary)

ITEM	BOARD FISCAL YEAR			
	1967	1970	1975	1978 ⁽¹⁾
	(millions)	(millions)	(millions)	(millions)
Total School Board Expenditures	\$1,048	\$1,640	\$2,656	\$3,690
Total Provincial School Grants	\$ 460	\$ 845	\$1,631	\$1,970
Total Local Contribution	\$ 588	\$ 795	\$1,025	\$1,720
Percentage Provincial Support	43.9%	51.5%	61.4%	53.4%
Number of Students	1,868,988	2,022,401	1,994,638	1,910,132
Provincial Grant per Student	\$ 246	\$ 418	\$ 817	\$1,031
Local Support per Student	\$ 315	\$ 393	\$ 514	\$ 901
Total Expenditure per Student	\$ 561	\$ 811	\$1,331	\$1,932

(1) Estimates

Source: Annual Reports of the Minister of Education.

these expenditures had increased by \$600 million. By 1975 they had grown by another billion and by 1978 by still another billion to stand at \$3.69 billion.

The provincial share of board expenditures grew from \$460 million in 1967 to \$1,970 million (est.) in 1978. Local contributions, almost entirely from property taxes, increased from \$588 million to \$1,720 million. The province's percentage share grew from 43.9 percent in 1967 to 61.4 percent in 1975, then declined to 53.4 percent (est.) by 1978. Though the portion borne by the province grew markedly in the late 1960's and the first half of the 1970's, it has decreased by 1978 to the point where boards are raising almost the same percentage of their expenditures from municipal taxes that they were in 1970.

Row 5, the first in the bottom half of Table 6, shows the changes in total elementary-secondary enrolments in 1967, 1970, 1975 and 1978 (est.). The succeeding rows show the provincial grants per student, the expenditures per student from revenue raised locally and total expenditures per student. Provincial grants between 1967 and 1978 increased 4.2 times, and local support 2.9 times. The result was 1978 total per student expenditures 3.4 times the 1967 figure. This is a formidable increase by anyone's standards, I'm sure. But the import is modified considerably by inflation. Using the Consumer Price Index (CPI) as a deflater, that 3.4 factor is reduced to about 1.7. (As measured in 1971 dollars, the CPI in 1967 was 86.5, and in May, 1978, was 173.6). It is modified further, though less dramatically, by the simple fact that the ratio of secondary to elementary students has increased over the last decade, and we have historically spent more per student in secondary schools than in elementary schools.

In Table 7, I draw attention to the increases in expenditures during the periods 1970 to 1975, and 1975 to 1978. The province absorbed 77.4 percent of the increase in school board expenditure between 1970 and 1975 and the boards were left to meet 22.6 percent from local taxes. Between 1975 and 1978 the province met only 32.8 percent of the increase and

TABLE 7

INCREASES IN SCHOOL BOARD EXPENDITURES
PROVINCIAL AND LOCAL CONTRIBUTIONS

(Ontario, 1970 to 1978: Operating Expenditures, Elementary & Secondary)

ITEM	INCREASES	
	From 1970 to 1975	From 1975 to 1978
	(Millions)	(Millions)
1. Total School Board Expenditures	\$1,016	\$1,034
2. Total Provincial School Grant	(Millions) \$ 786	(Millions) \$ 339
3. Total Local Contribution	(Millions) \$ 230	(Millions) \$ 695
4. Percentage Provincial Support	77.4%	32.8%
5. Percentage Local Support	22.6%	67.2%
6. Enrolment Decline	ENROLMENT DECLINE AND COST INCREASES	
	From 1970 to 1975	From 1975 to 1978
	27,763	84,508
7. Increase in Provincial Grant per Student Lost	\$28,311	\$4,011
8. Increase in Local Contribution per Student Lost	\$ 8,284	\$8,224
9. Increase in Total Expenditure per Student Lost	\$36,595	\$12,235

Source: Annual Reports of the Minister of Education.

the boards the other 67.2 percent.

At the time I am writing these pages the newspapers are full of reports of the approval by the voters of California of Proposition 13, which sharply cut property taxes, the source of local contributions to school costs. The press is quick to use such terms as "tax revolt" and "landmark in American federalism". I do not intend to comment on what the referendum result indicates for American public finance, politics or education. Nor will I speculate upon the relationship between voter behaviour in the U.S. and Canada. I am aware, though, that both California and Ontario, like most intermediate jurisdictions on this continent, are characterized by joint municipal-state or municipal-provincial financing of public education. I am aware, too, that voters/taxpayers are giving ample evidence of feelings of frustration over local government expenditures generally and for education particularly, in Ontario and most other jurisdictions on the continent.

My experience from listening to presentations made to this Commission across the province, from reading written briefs submitted to the Commission and letters-to-the-editor of provincial newspapers, and simply from listening to Ontarians talk about schools, taxes and politics, leaves me with no doubts that Ontario taxpayers are aware of and concerned about what appears to be a perverse relationship between enrolment declines and education expenditures. In the bottom four rows of Table 7 appears information that I consider ample to illustrate the basis for some of the frustrations experienced by our taxpayers, and for some of the doubts they register about the authorities making education expenditure decisions.

In row 6 of Table 7 it is shown that total elementary-secondary enrolments declined by 27,763 from 1970 to 1975 and by 84,508 from 1975 to 1978. If we were to make the simple (and unwarranted) assumption that school expenditures are a function of enrolments only, we would have to conclude (as in row 9) that total expenditures went up by \$36,595 per student lost between 1970 and 1975 and by \$12,235 per student lost between 1975 and 1978. Before pointing out the absurdity of the enrolment/

costs relationship implied here, the reader is asked to recall that in the 1950's and 1960's taxpayers were asked to accept higher total and unit education costs as the inevitable consequences of increasing enrolments. Playing this sort of numbers game helps us understand the exasperation of taxpayers who sometimes make such cynical comments as, "Will we have to pay higher taxes this year because there are so many kids in school or because there are so few kids in school?"

In rows 7 and 8, Table 7, we see that over the period 1970 to 1975 the province paid \$28,311 and the local governments \$8,284 of the "increased costs per student lost". From 1975 to 1978 the province paid only \$4,011 and local governments \$8,224 of such costs.

It is as apparent to informed taxpayers as to students of public finance and education finance that in recent years the province has not prevented declining enrolments from being accompanied by increasing total board expenditures, provided that most of that increase is met by local ratepayers. Certainly we all realize that total expenditures would have been still higher had enrolments not declined, and the "increased costs per student lost" are in the main only artifacts of inflation, not evidence of a new generosity toward the schools on the part of politicians, either local or provincial, or of some striking economy-of-scale relationship. But these figures also demonstrate that there is substance to the popular assessment of the situation we face: fewer students, higher expenditures and higher local taxes. If the tax burden is related to income,¹ assessed valuation or some other index of ability-to-pay, it can be debated whether ratepayers in recent years have been bearing an increasing burden, either for education or for all local public services. To some extent, the results of the debate will be determined by the span of time we choose to call "recent years". What is not debatable is that, since 1975, the local tax burden associated with board expenditures has increased relative to provincial grants to the boards. More emphatically, the burden of increased expenditures since 1975 has, in large measure, been borne by rates on taxable real property.

¹See, for example, the most recent issue of the report on "Family Income" by Statistics Canada, July, 1978. Income has increased even faster than inflation.

There are and will continue to be appreciable savings associated with declining enrolments. This is the case unless we (the people of Ontario acting through our elected representatives) make the decision to continue to increase per student expenditures in real terms at the same rate as enrolments are declining, or at a higher rate. I consider this decision most unlikely. Provincial policy will determine whether all the savings accrue to the province and none to the municipalities, all accrue to the municipalities and none to the province, or some to the province and some to the municipalities.

Perhaps provincial policy related to the future of the province-municipality partnership for school finance could be presented in a clear, unequivocal pronouncement. But it is also probable that this is expecting too much. Policy in this area is in flux. Moreover, its evolution is related to developments in several other dynamic policy areas, notably tax reform and our total system of provincial grants to municipalities.

It is no harsh criticism of the government of this province to say that it has yet to fix a policy for education finance appropriate to the new demographic, economic and social conditions. There is no evidence that other jurisdictions are ahead of us in this regard. I might add that if policy in this area were already determined, there would be no need for such a commission as this one.

If less than definitive statements of policy, the remarks by the Provincial Treasurer in the Ontario Budget 1978 are evidence of the present state of thinking of this government about the issues of public finance emanating from the new conditions confronting school boards and municipalities.

To the question of the provincial-municipal apportionment of savings related to declining enrolments (potential savings may be the more appropriate term), Provincial Treasurer Darcy McKeough offers this comment:

Mr. Speaker, with declining school enrolments and with population which may not be growing, I question whether or not school board and municipal spending needs to increase more than our own.(1)

With such a candid concession that the government is in the process of making policy for the future of board and municipal finance, and in light of the fact that several crucial issues relevant to property tax reform are yet to be resolved, it is not surprising that several school boards have expressed to this Commission grave uncertainties about the future.

On the same page of the Ontario Budget from which the preceding quotation comes, the Provincial Treasurer offered this statement:

After we have agreement on an acceptable way to implement market value assessment and property tax reform, then the province will proceed to the complementary matter of grant reform and a revised revenue-sharing arrangement with local government. (2)

To the other sources of confusion facing our board authorities must be added the responsibility for Teachers' Superannuation Fund contributions they may have to underwrite, either indirectly through the province reducing its grants by some portion of its contribution to the fund, or directly as contributions to the fund.

It appears that the uncertainty and confusion registered by many board authorities is a healthy reaction to the fluid conditions under which they are operating. The full-time administrators who must cope with the current problems of education organization and finance are well paid professionals. They must, and no doubt will, see to it that the province continues to operate effective, smoothly functioning schools and to provide satisfying school experiences to our children and young people. More than ever before, perhaps, they can say that their salaries are being well earned. The elected officials must depend in the main upon non-pecuniary satisfactions and reinforcements. They have undertaken to make difficult decisions on behalf of their communities and in

¹Ontario Budget 1978, p. 13.

²Ibid.

the interest of the students in the schools under their boards' jurisdictions. The decisions they will have to make will likely be more numerous and more difficult than heretofore.

What this Commission must do is make some recommendations intended to ensure the happiest result to the search now going on for policies for the organization and finance of education under the conditions that will characterize the intermediate and long-run future. I am well aware that the surest route to irrelevance is planning for the future without giving proper attention to the handling of current problems and to surviving present threats. It is just as imperative, then, that this Commission make some recommendations for dealing with very current problems, in particular for making short-run adaptations to changing realities and uncertainties. These adaptations will be the main concern of Section B of this report.

Presentations at the hearings held by this Commission, and the briefs submitted to it, make it clear that many boards believe there will be a shift of more of the burden of school finance to them and to the ratepayers in their municipalities. They are probably correct. Unquestionably, the ability-to-pay of a school board, i.e., assessed valuation per student, increases as enrolments decline. To put it simply, if the size of the purse stays the same while the number of students goes down, then there's more money for each remaining student. For the purposes of education finance the board appears to be growing wealthier, and, indeed, for that board the burden of a given level of expenditure per student does in fact decrease. That is, a given level of expenditure per pupil requires a lower rate on taxable real property.

If the same scheme for determining grants were to remain in effect for some years, and enrolments generally declined, the province would "automatically" pay a decreasing portion of total board expenditures year to year. Also, those boards with most rapid declines in enrolments would have to assume the largest increases in the proportions of expenditures met from local taxes.

Grant formulas do not remain in effect from year to year. They are adjusted annually and the provincial government is each year presented with a new opportunity to determine its share of operating expenditures

or the dollar value of its average expenditure per pupil. What is constant under the present grant arrangement, so long as the province adheres to the principle of equality of tax burden for a given level of expenditures per pupil, is the ratio of relative assessed valuation per pupil to the portion of expenditures per pupil paid by local sources. For example, if two boards have the same number (and configuration) of students, and the first has \$10,000 of assessed valuation per pupil, and the second has \$5,000 of assessed valuation per pupil, the first will pay a proportion of total expenditures met from local taxes twice that of the second.

This somewhat oversimplified discussion of our grants system (which has ignored the large number of weighting factors associated with varying operating conditions and services offered) has not recognized the importance of an operating grants ceiling. The portion of per pupil expenditures met by the grant applies only up to a maximum per pupil expenditure recognized for grant purposes. If there were also a ceiling on total operating expenditures (as in fact there was from 1971 to 1975), the portion of total per student expenditures met by the grant each year would be determined by the grant formula. In fact, however, boards can have operating expenditures in excess of the grants ceiling, provided that expenditures above it are met entirely from local taxes. The formula, therefore, does not determine the expenditures per pupil nor the percentage of total per student expenditures met from the grant. More important, perhaps, is that the above-grant expenditures per pupil require a greater burden on the part of boards with a relatively low assessed valuation per pupil.

The purport of these remarks about our grants system, following upon the earlier comments about declining enrolments and associated rising total and per pupil costs, may be summed up this way:

1. The facts of declining enrolments accompanied by increasing unit costs are greeted with dismay and some cynicism by many Ontarians, in particular in their capacity as ratepayers. Their reactions are little allayed by the explanation that much of the increases come from general inflation and by the persistence of some fixed costs that cannot be significantly reduced in the short run.

- 2) There is profound concern among people associated with many boards that there will be an increase in the burden of school related expenditures placed on local ratepayers. Their fears are not mitigated when they are told that under conditions of declining enrolments, a reduced portion of expenditures met by provincial grants does not necessarily mean an increase in the real (constant dollar) or absolute (not relative to provincial) burden of school costs on ratepayers.
- 3) The concern for the burden on ratepayers becomes particularly acute for boards with low or no industrial-commercial assessments and with low residential and/or farm assessments. Expenditures above the grants ceiling for these boards imposes a level of rates on the boards out of proportion to that experienced by better endowed boards. The fact that these boards are disproportionately separate school boards and rural boards raises the spectre of separate versus public and urban versus rural discrimination. The spectre looms larger as the portion of grant-aided expenditures declines as a portion of total expenditures.

The perceived imbalance, or perverse relationship, between enrolments and expenditure will plague us partly because the rate of inflation is much greater than the rates of enrolment declines. In order to isolate that portion of increasing costs that is due to general price changes from the part that corresponds to "real increases", it is necessary to recalculate the information in Tables 6 and 7 and present it in deflated or constant-dollar value figures.

In Table 8 the same figures that appear in Table 6 are presented with dollar figures for 1975 and 1978 expressed in constant value (1970) dollars. The deflator used here is the annual change in the Consumer Price Index. There are perhaps more appropriate indexes to use, and the results would be somewhat different, but I have chosen the CPI because it is the one most familiar and comprehensible to most of us. The first effect is to show that, in real terms, the increases are far more modest than they appeared to be in Table 6. The increase from 1970 to 1975 was a bit more than 9 percent, the increase from 1975 to 1978 was about 10.7 percent. What is

TABLE 8

SCHOOL BOARD EXPENDITURE, CONSTANT 1970 DOLLARS
PROVINCIAL AND LOCAL TAXPAYERS

(Ontario, 1970 to 1975: Operating Expenditures, Elementary & Secondary)

ITEM	YEAR			DIFFERENCE	
	1970	1975	1978 ⁽¹⁾	1970 TO 1975	1975 TO 1978
	\$ million	\$ million	\$ million	\$ million	\$ million
Total School Board Expenditures	1,640	1,788	1,980	+ 148	+ 192
Total Provincial School Grants	845	1,098	1,057	+ 253	- 41
Total Local Contribution	795	690	923	- 105	+ 233
Percentage Provincial	51.5%	61.4%	53.4%	PERCENTAGE POINTS	
				+ 9.9	- 8.0
Local	48.5%	38.6%	46.6%	- 9.9	+ 8.0
Number of Students	2,022,401	1,994,638	1,910,132	- 27,763	- 84,506
Provincial Grant Per Student	\$ 418	\$ 550	\$ 553	+ \$132	+ \$3
Local Support Per Student	\$ 393	\$ 347	\$ 484	- \$ 46	+ \$137
Total Expenditure Per Student	\$ 811	\$ 897	\$ 1,037	+ \$ 86	+ \$140

(1) Estimates

Source: Annual Reports of the Minister of Education.

dramatic here is the changing pattern in the growth of provincial and local expenditures. Provincial grants increased by \$253 million (1970 dollars) from 1970 to 1975, and decreased by \$41 million from 1975 to 1978. The local (municipal) contribution to school board expenditures decreased by \$105 million (1970 dollars) from 1970 to 1975, and increased by \$233 million from 1975 to 1978.

The point is still to be made that there were increases in total expenditures associated with declining enrolments, even after allowing for inflation. This increase was \$148 million, 1970 to 1975, and \$192 million, 1975 to 1978, as may be seen in row 1 of Table 8. The increase per student was \$86 constant value (1970) from 1970 to 1975, and \$140 constant value (1970) from 1975 to 1978. The province increased the grant per student by \$132, 1970 to 1975, while the contributions from local sources was reduced by \$46 per student. From 1975 to 1978 the province increased the grant per student by \$3 and the contribution from local sources was increased by \$137 per student.

It is interesting to note that the most striking increases in expenditure per student, in constant value dollars as well as in inflated dollars, came during the period of federal anti-inflation controls. It is at least possible that much of what we refer to as the current problems in school finance are the consequences of one of the striking examples of our inability to control wage increases in the public sector in the mid-1970's. In that case we are left to wonder what the state of school finance would be today if this decade of rapidly rising salary demands had been characterized also by increasing enrolments. It may well be that we were far better equipped to handle the demands of rising enrolments in the 1960's than we were the salary demands of public sector employees in the 1970's.

The probable effects of inflation on future operating costs are startling. Because education shows every sign of continuing to be the labour intensive industry it has been, most of the future inflation of operating costs will be due to wage increases, in teachers' salaries in particular. In Tables 17 to 23 in Part 6, Section B, of this report, several sets of projections of secondary school teachers' salaries for the years 1978 through 1987 are offered. Projections of those salaries,

assuming increases for average experience levels and qualification categories, are arrayed for comparison with the same projections based on the further assumption of 8 percent annual inflation increases. Without the inflation increases, the projected average salaries in 1987 range from \$25,399 to \$26,287. With the 8 percent increases the projected average secondary teacher salaries range from \$54,834 to \$56,751. The corresponding projections of the total provincial salary bill (for secondary school teachers, vice-principals and principals) are \$777,752,000 to \$803,369,000 and \$1,679,104,000 to \$1,734,409,000.

These projections are based on the "conservative" assumption that declining enrolments will be accompanied by constant pupil-teacher ratios, and on the further assumption, perhaps a "cost-increasing" assumption, that existing salary grids will be maintained along with the certain increases in average experience and category of teachers associated with an aging teaching force. If we are to make the further assumptions of a constant inflation factor of 8 percent for all expenditures, of a constant ratio of teachers to other school employees, and of a constant ratio between wages and other expenditures, the projected total operating expenditures of our public and secondary schools will be approximately \$6,310 million in 1987, or \$2,620 million above the 1978 expenditure. If the province contributes 60 percent of the increase, the approximate level reached before the 1975 decline, or \$1,572 million, ratepayers will have to increase their contribution to board expenditures by \$1,048 million, an increase equal to about 61 percent of the total amount (est.) contributed by ratepayers in 1978 (Table 6). However, if the 1978 percentage (53.4 - Table 8) of provincial support prevails, the local contribution will have to increase by about \$1,221 million over 1978, or by an amount almost 71 percent of the 1978 contribution.

Doubtlessly, the challenges of education finance would be much less formidable than they are if inflation were "neutral" in its effects on the private-public distribution of provincial product, the municipal-provincial distribution of public revenue and the relative costs of all public services. The effects of inflation are not neutral, however, and the present need

is to design an education finance system to accommodate inflation as much as to accommodate new enrolment conditions. More correctly, perhaps, the challenge is to design an education finance system to accommodate declining enrolments under conditions of inflation.

Second only to my concern for inflation as a source of our finance problems is my concern for the consequences on curriculum of financial constraints and changing costs. For example, how will pressures to offer supplementary programs mandated or strongly encouraged by the Ministry of Education, such as French as a Second Language (FSL), English as a Second Language (ESL), heritage languages, French immersion and special education affect the basic programs for all children? Boards sometimes find that funds provided by the provincial government for such "add-on" programs are not adequate to meet their full costs. Hard decisions must then be made by the boards to provide for the supplementary programs at the cost of basic or more general programs, or to reduce the special programs.

The problems involved here are exacerbated by the pressures to make adjustments in programs because of declining enrolments. Most of the problems fit more appropriately in Part 3, Section B (Programs) and are dealt with at greater length there. I mention them here because they demonstrate that school finance is linked with issues internal to the education sector as well as to issues in the broader realm of public finance.

There remains one important matter to be discussed before offering some statements about the school finance policy choices facing us in this province. That matter is the considerable confusion that exists, even among many school people, regarding the two quite distinct aspects of the provincial education grants scheme. It is sometimes assumed that the cost of education to the province, i.e., the total of the grants to the boards, or the proportion of total expenditures to be met by provincial grants, is determined by the grant formula. According to this assumption, as enrolments

decline and the average assessment per pupil in the province increases, the share of board expenditures borne by the province is automatically reduced. This is not the case. As mentioned above, the province, in effect, reopens annually the question of total expenditures and the distribution of those expenditures between the province and the municipalities. Minor or major adjustments in those basic variables of school finance can be made every year. These important decisions are the first stage in the implementation of school finance policy. The legislative grant formula comes into operation at the second stage, and is concerned with the distribution among the boards of the total amount to be granted. The concern in this distribution is equity, in the distribution of education opportunity and in the distribution of tax burden.

The province could serve the objective of equity in the distribution of education opportunity by mandating either a minimum level or a specific level of expenditure per student by all boards. In this case, provincial grants would have to go only to those boards unable, even at much higher than average school related tax rates, to raise the necessary funds. Grants could then be paid to only a minority of the boards, since the majority could conceivably pay for much more than they do now out of local rates. Grants are instead paid to all boards. The concern for equity then can be said to be concern for equity in distribution of tax burden more than for equity in distribution of opportunity. And, of course, it can be said that concern is demonstrated for tax relief (on property tax) as well as tax equity.

The province could conceivably provide much larger grants to elementary and secondary education than it is now doing -- or much smaller. The consequence of larger grants, of course, would be one of the following: higher provincial (mainly income and sales) taxes, a reduced allocation to one or more other major expenditure categories (such as health), a re-allocation within the education expenditure category (from the universities to the public-secondary sector for example), or some combination of these. It must be emphasized that the two rapidly changing conditions affecting expenditure decisions by boards are declining enrolments and a growing reluctance of the province to underwrite increasing board expenditures.

The first of these conditions will be with us for a long time and there is very little we can do about it. The second plainly and simply is the result of public policy. Adjustments in it can be made at any time, or any time our policymakers are willing to assume the costs.

This is perhaps an appropriate time to make a very important and very simple point about the range of responses this province can make and in some case has made, to declining enrolments.

We can close some schools and classrooms;

We can reduce the size of the staff;

We can reduce the range of program offerings;

We can accept increasing unit costs;

We can adopt some combination of the above.

This last has been by far the most frequent response. We will opt for one or the other of them every time we decide how to deal with declining enrolments. It is not difficult to decide to do one of these things, but it is very difficult to choose which one. It is a decision worthy of much discussion and research.

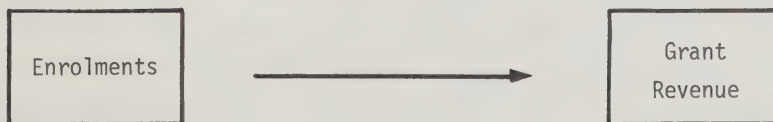
Accepting increasing unit costs will often emerge as the appropriate response. In such cases it will be necessary to decide how much to accept. Many times we will decide there should be very modest increases only. In the interest of efficiency we ought to decide not to accept larger increases in unit costs than we would be willing to pay to avoid closing classrooms and schools, firing staff, or to avoid reducing programs, if all revenues came from a common source. Efficiency problems are more complex when decision makers have to deal with questions of which sets (local or provincial) of taxpayers will bear the burden (or savings) associated with accepting or rejecting higher unit costs. They become more complex still when the distribution of costs between sets of taxpayers is in a state of flux, and when the problems of increasing the yield from one set of taxpayers are different from increasing the yield from another set of taxpayers.

Ultimately, I will have to make two kinds of recommendations for financing education under the new enrolment conditions. The first kind, or perhaps it would be more appropriate to say the first level, must be a single recommendation on this issue: Ought the perceived future problems of financing education be dealt with via adjustments in the grants system that has been evolving in this province since 1964, or do the problems call for reform, that is fundamental changes in or replacement of the existing grants system? The second level must recommend specific adjustments to the existing grants system, should it be decided that is the proper machinery for the conditions we face, or specific recommendations for a new system of financing education.

At this point, however, I have two interim recommendations to offer dealing with finance of the public school systems. I shall begin by offering this very simple conceptualization of our provincial-municipal school finance system and the major emerging policy problems associated with the system.

In Figure 1, the relationship between enrolments and grant revenue for a given board is depicted. It is a simple direct relationship, the higher the enrolments the higher the grants (in constant value dollars).

FIGURE 1



In Figure 2, the relationship between enrolments for all boards in the province and the total grant revenue of all the boards is presented.

FIGURE 2Provincial
EnrolmentsProvincial
PolicyGrant Revenue
All BoardsAssessed
Valuation
Taxable
Real Estate

Here the relationship between enrolments and grant revenues for the boards is affected by provincial policy. It is presumed that such policy is made with some reference to total assessed valuation of taxable real estate. More specifically, it is supposed that as enrolments rise more rapidly than assessed valuations, policy will tend toward higher total grants paid to the boards and higher per pupil grants, and as enrolments decline, while assessed valuations remain constant or grow, policy will tend toward lower total grants (constant value dollars) paid to the boards and lower per-pupil grants. Under conditions of declining enrolment, then, the portion of municipal taxes in board expenditures is assumed to grow. Under the condition of declining enrolment that prevailed in 1975-78, the municipal taxes portion grew from about 39 percent to about 47 percent.

It can be argued that any increase in the burden on local taxpayers associated with this development is due to decisions on the part of their elected board representatives to allow per pupil costs in their own system to increase more rapidly than the per pupil grant. There is, however, no room for argument concerning another result of this development: as grants are representing a smaller portion of board expenditures and more boards are spending above the grant ceilings, more of the costs of the increases in per pupil expenditures fall on local ratepayers. Revenue from local rates is associated with great variation in tax burden, from board to board, depending upon assessed valuation. The issue of equity -- to students and to ratepayers -- that has seemed to be waning in importance since the creation of the new county board structure in 1969, is becoming increasingly

significant. In its present state, the equity issue is inextricably bound up with the basic efficiency question: How do we decide how much to spend on education?

My first recommendation is that the Minister of Education and the Provincial Treasurer unequivocally acknowledge that, under the conditions of declining enrolments, in light of a consensus calling for equity to students and taxpayers that characterizes this period in our history, and in consideration of the need for effective controls on education expenditures, some significant adjustments in our system of education finance are called for.

My second recommendation is that the government give immediate assurance that for some time, perhaps two years, the allocation from Treasury Board to the Ministry of Education for general legislative grant purposes be calculated on the basis that the grant per pupil on a provincial basis will not fall below the 1978 grant plus an adjustment for inflation (the proper index of which I leave to someone else to propose).

RECOMMENDATIONS

- 1) Acknowledge unequivocally with the Provincial Treasurer that under the conditions of declining enrolment some significant adjustments in our system of education finance are necessary.
- 2) Give immediate assurance that for some time, perhaps two years, the grant per pupil on a provincial basis will not fall below the 1978 grant plus an adjustment for inflation.

SECTION B: Critical Emerging Problems
and Recommendations for Immediate Action

INTRODUCTION

It is painfully clear that continued enrolment declines mean that we simply cannot maintain the education system at its present scale. During the next ten to fifteen years substantial retrenchment cannot be avoided. Economic conditions may improve and as a result there may be some modest increase in the resources allocated to the school systems. However, even a significant economic improvement would have to be accompanied by policy decisions to favour higher unit costs in education at the expense of other public services, or at the expense of private sector activity, to maintain the present scale of elementary and secondary operations. I see no evidence of immediate relief from the financial constraints described in the previous section and in the First Interim Report. As a consequence, unless we make some non-traditional means of finance available to the schools, retrenchment or contraction is unavoidable even in the short-run. There will presumably be some reduction in the range of programs offered and reorganizations within schools or "families of schools" or other school groupings, reorganizations of board operations and in some cases, perhaps, reorganization or combining of board jurisdictions. There will also be displacements of personnel, restrictions on teacher supply and perhaps the imposition of ceilings on per pupil expenditure. Each of these tactics represents some very difficult choices and unhappy consequences, but each is a legitimate and sometimes appropriate one. They will be more effective, and can be more equitably implemented, if well planned.

We must begin to plan now. Our concern should be for meeting short-term exigencies as well as accommodating long-run changes in our environment. The concern in the subsections to follow is about some critical emerging problems that should be responded to almost immediately, even if this requires dealing with each of them in isolation. Recommendations for more inclusive and systematic responses to the entire spectrum of problems associated with declining enrolments will be offered in my Final Report. Any revisions that it seems appropriate to make in the recommendations offered here will be integrated in that later report.

1. The Structure of the School System

As schools undergo some reorganization in response to their changing environment and the changes in demand for their services, we must address ourselves to this difficult question: will the structural changes be just changes in the scale of operation with some attendant administrative adjustments, or will they also include changes in the objectives and community relationships of the schools?

The term structure is used in many ways. Certainly it would not be inappropriate to speak of changes in curriculum as structural changes, nor to refer to the administrative character of the school system as its structure. Here, however, I am reserving the term mainly for use in discussing the objectives (or missions) of the school system¹ and its connections or relationships to the rest of the community. Questions about structure in this sense have never before been so prevalent in popular, political and academic discussions of education and education policy. Before I offer recommendations, it is imperative that I start with comments about the structure (missions and relationships) of our school system.

Traditionally the pre-eminent mission of our schools has been the provision of educational services to "youth". The major part of their resources has been directed to serving a day school enrolment of persons between 5 and 21 years of age. However, the secondary schools are not restricted to an upper age limit and an increasing number of adult students have been enrolling in day school classes as well as the evening programs. One important structural question that demands attention is whether the schools will become less the servants of young people and more a resource at the disposal of both youth and adults.

¹I have sometimes used the term school system when referring to the total phenomenon that is our public, secondary and separate school systems. Other times, when the peculiarities of the three systems seem to require acknowledgement, I have referred to the total phenomenon as the school systems (plural).

The opportunities presented to adults by the boards of education have, in the main, been at the boards' discretion. They are not required by law, and a school board can expand programs more or less as it chooses, subject, of course, to budget restrictions. The portion of the costs of adult education activities met locally vary from board to board according to the rates of assessed valuation of taxable property to enrolments, as do other board expenditures. Since not all adult education programs are eligible for general legislative or special grants, in some cases the entire cost must be met from local rates. Variations in adult education offerings from board to board therefore reflect in part varying abilities of the boards to spend on adult education and in part willingness to do so.

Some people would not consider the extension of teaching services to adults to be structural change. I hasten to acknowledge that since teaching is the business of the schools, and, in fact, they already have a long tradition of providing some adult education, an expansion of these services does not represent a new mission. Indeed, even to recommend the status quo for adult education is to endorse continued experimentation and some modest growth in this area. Nothing said below is intended as a recommendation of less than that. Nevertheless, a sudden increase in the rate of expansion of adult education constitutes structural change because it would have significant effects on the relations of the schools and boards to other agencies and organizations.

An expanded mission for the schools could, of course, include much more than expanded adult education activities. But even activities that would fit comfortably under that rubric, such as prenatal instruction for mothers-to-be, vocational and recreational classes for all adults and special courses for senior citizens, suggest an intrusion by education authorities into the domain of other ministries and agencies. If we look at a few of the other activities that do not fit under adult education but would complement those that do, such as day-care for infants, prenatal care, job counselling for adults and health and legal services for the elderly, we can foresee a near complete erosion of the boundaries of a number of public service areas we long thought to be separate and autonomous. Indeed, it has sometimes been claimed that a

more candid statement of what schools are and do would have long ago revealed that they are important agencies for the provision of custodial, health and recreation services as well as learning centres.

Since schools have been carefully sited to accommodate the geographic distribution of young people, they form a universal network of well designed centres for the delivery of many kinds of community services. As enrolments decline we will have surplus classrooms and some redundant buildings. The simple existence of these underutilized public assets quite legitimately motivates suggestions for new uses, although it remains to be seen just how convenient and effective they would actually be as distribution points for various services. Because the appearance of redundant physical assets is nearly always accompanied by unemployment for teachers, the motivation to look for new community roles for the schools is understandable and appropriate, and may be reason enough to suggest an expanded role for the schools. But it must also be noted that there are other highly skilled and talented people in the communities who could perform a large number of services for their fellow citizens through such centres, on either a volunteer or paid, and on either a full-time or part-time basis.

It is, of course, no simple matter to expand the service role of the schools. Nothing of value is ever completely "free". There are many costs to maintaining a building, such as heat, light, cleaning and repair and security. A seemingly redundant building may have a hidden cost associated with its community-service adaptation, i.e., there may be rental income or sale revenue foregone. It is also the case that other agencies exist to do many of the things it is proposed that we do in the schools. Even in adult education, the most often suggested new or expanded use, we have the large and effective network of colleges of applied arts and technology. It will be no simple matter to coordinate their role with that of an expanded adult education function for the boards.

There are also these difficult questions to deal with:

Do we want to free the schools from their highly specialized mission of educating the young?

Should the financial resources (and authority to assess the municipalities) of the boards be used for purposes other than those for which they were developed?

Unquestionably, there is in Canada a very strong movement to accept the objective of lifelong education and to view our schools as learning centres or more general resource centres for citizens of all ages. That movement is more advanced in some countries in Europe and it is unlikely that it has reached even early maturity here. I will be surprised indeed if adult education activities of the school boards do not increase over the years to come, any recommendations by this or any other Commission notwithstanding. Apparently, we are making the decision, gradually, to expand the target population of the schools.

If there is not yet a movement, there are sound arguments for putting health clinics, legal aid services and many other community services in schools. Propositions for these developments are presented in detail in several of the Working Papers of the Commission. They raise a host of questions about the missions of the school and the external relationships of the schools and boards, as well as about the legitimate use of the authority of the boards to assess their municipalities. It cannot be claimed that we have made any observable progress in answering these questions.

This Commission has not directed a major portion of its resources to the issues of alternative or community uses of the schools, partly because it is not the first authority to take up these policy issues. A fine summary of the points to be made about, and the opportunities associated with, a more expansive role for the schools may be found in the Final Report of the Select Committee on the Utilization of Educational Facilities, entitled "What Happens Next Is Up To You" (February, 1975).

The Legislative Assembly of Ontario did, presumably, endorse the principle of community use of schools in setting the terms of reference for that Select Committee (which, under its Chairman, Mr. Charles E. McIlveen, M.L.A., Oshawa, was established on December 17, 1973):

1. The Committee should inquire into the potentialities and possibilities for the increased use of educational facilities throughout Ontario at all levels, including postsecondary facilities.
2. Specifically, the Committee should examine such matters as:
 - (i) the wider community use of its educational facilities;
 - (ii) the year-round use of such facilities for educational and/or community programs; and
 - (iii) ways and means by which the above-mentioned activities could be brought about and established.

I am not certain what happened to the report of that Select Committee when it was submitted to the Legislative Assembly, but it does appear that the Minister of Education has taken steps to encourage more extensive community use of the schools. However, in October, 1976, that same Minister of Education ordered a "freeze" on expenditures of the province on continuing education activities of the boards as "an interim measure necessitated by the widely different interpretation of continuing education" demonstrated by the boards across the province.¹ The Minister was, in effect, declaring a moratorium on the growth of the province's financial commitment to the major "new function" of the boards. The situation now, as I see it, is that there has been no corresponding commitment of financial support, from the province or municipalities, to the often recommended expansion in the community service role of the schools.

The Select Committee apparently was of the opinion that school boards should operate and pay for the extended range of services from conventional revenue sources. It is most unlikely that the boards can do this. They would have to impose tax increases, in the form of assessments on their constituent municipalities (who must impose the higher mill rates on property owners), to meet the portion of increased expenditures not covered by grants. The Minister of Education, in his "freeze" on expenditures for adult education -- the community service activity most closely related to the traditional responsibilities of his Ministry -- made it clear that

¹Public announcement from Thomas L. Wells, Minister of Education, Province of Ontario, October, 1976.

the education grants would be a very limited source of funding for expanded activities of the boards. It should be added that financial support of many of the newer community services proposed for the boards need not necessarily belong under the budget of the Ministry of Education. Given the nature of those activities, provincial financial support might appropriately come from several ministries.

In any event, the boards cannot alone assume responsibility for the many new activities proposed for them. They have neither the resources to fund them nor the appropriate experience in providing them. If they did assume responsibility for a large part of the activities, they would in effect become general purpose municipalities.

This observation about municipality characteristics of boards invites the reduction of the structural problem before us to a choice between two extremes:

We can construct a super-municipal authority with jurisdiction coterminous with the jurisdiction of a school board and with authority to organize and operate all (or a wide range of) community services. Vacant classrooms or redundant schools and grounds would be part of a pooled resource as would the funds available for education and other community services.

OR

We can restrict school boards to the provision of those services which they have traditionally provided for youth. In this case, the organization and funding of school board activities would continue to reflect its specialized functions. The responsibility of providing other community services, including any expansion of these services, would remain with other municipal (or provincial and municipal) agencies. The use of school facilities for these community services would be on a lease arrangement and in some cases perhaps contractual arrangements would be made for joint use of existing or new facilities.

Quite frankly I prefer some approximation of the first of these two approaches and I expect in my Final Report to make some recommendations that will facilitate our movement in that direction. Practicality demands, however, that we recognize that the second of these approaches is the only one possible in the present state of affairs. I do not see that it is realistic, under the financial conditions and organization challenges now facing school boards individually and together as a provincial system, to make any dramatic movements in the direction of increasing the community service mission of the schools, or of changing their relationships with the municipalities or other public agencies. In short, we had better put our own (school) house in order before initiating any bold structural changes.

I recommend that in the decade ahead our first planning objective be the reassessment of the structure of our school system and the design and implementation of the changes in our objectives and relationships that we decide are called for. This is a policy-planning undertaking calling for a sustained effort. New objectives for the schools must be selected with care and the propositions for new objectives and relationships should be accompanied by studies of the probable direct and indirect consequences.

But I recommend that for the present we deal with the financial and organizational problems now facing the school system without initiating significant structural changes. Dealing with these problems will undoubtedly mean a period of retrenchment and it may require some contraction of services. In many boards (not in all, of course, since some will continue to have stable or increasing enrolments) reduction in facilities and decreases in teaching, administrative and support staff will be inevitable. For the most part, we should be able to manage the personnel reductions (as we have in the main until now) through attrition, with few dismissals of tenured and experienced staff. But to do this will require careful planning. It appears that this planning will have to be in accord with the assumptions that provincial grants per student will not rise faster than, or even as fast as, inflation, and that increased

rates on local taxpayers will face increasing resistance. In the short and intermediate run, the first goal of planning must be the combined objective of maintaining high quality education services and achieving a financially stable education system.

Extending the community services provided by the schools, then, can hardly be the first order of business. We must consider some changes in our mission, and begin to do it now, but we must allow time for a very hard look at all the related suggestions. There will be many problems. For example, to use teachers, at their present salary levels, as the labour force for an expanded offering of public services would probably mean that those services would be prohibitively expensive. Teachers are high salaried professionals. In most cases we will probably be able to use them only at the specialized tasks for which they have been trained. In any case, an expanded community-service role for the school must wait upon the resolution of many questions about the relationships of boards to municipalities, of municipalities to other levels of government and of the schools to many other public agencies.

RECOMMENDATIONS

- 1) *Make the first objective of long-range planning a reassessment, and perhaps a redesigning, of the structure of the school system (i.e., the mission of the schools and the relations of the boards to other agencies).*
- 2) *Do not alter significantly the structure of the school system (i.e., the mission and relationships) while we deal with the immediate problems of accommodating to sharply declining enrolments and increasing financial pressures.*

2. School Finance

In Section A above I indicated that some changes must be made in our system of financing the public schools. I made clear also that before I finish my Final Report I must make a decision whether to recommend that we deal with the problems of financing education via adjustments in the grants system that has been evolving in this province since 1964, or to recommend fundamental changes in, or a replacement of, the existing system. Since I am still actively pursuing new insights and information,¹ I will not make that important recommendation at this point.

In this section I will limit myself to a short discussion of some of the inadequacies in the present scheme for education finance and to some recommendations for immediate policy or administrative responses. For the most part my present views on the problems reflect the impressions made upon me during recent months by presentations at the hearings of the Commission and by the written briefs received.

Before presenting my criticisms I should acknowledge that for many years I had a role in influencing the development of the system. What I now call weaknesses or inadequacies are as much my doing as anyone's. I should note also that I believe the system has served us well. Under conditions of unprecedented increases in demand for services, it was the means to the construction of a great education system, a system that was amenable to constant adjustments in the interest of quality, efficiency and equity.

Appropriately perhaps, for a scheme that was designed to accommodate an expanding system, the legislative grant formula that is the basis of the system is "enrolment-driven" in a double sense. When a board

¹In this regard, I recommend to my readers three Working Papers of the Commission on Declining School Enrolments in Ontario: R. Bird and E. Slack, "Property Tax Reform and Educational Finance in Ontario", Working Paper #21; D. Cameron, "Declining Enrolment and the Financing of Education in Ontario", Working Paper #11; and E. B. Rideout, "Alternatives for Educational Finance Within the Established Parameters", Working Paper #25.

experiences enrolment increases that result in a decrease in assessed valuation per pupil, it can expect the per-pupil grant to go up, and, of course, to receive that grant for more pupils. For this to work across a system of generally increasing enrolments over many years the province must provide a larger total appropriation for the grants each year. When a board experiences enrolment decreases that result in an increase in assessed valuation per student, it can expect the per-pupil grant to go down and to receive that grant for fewer pupils. A smaller total grant for the board will be the result unless the province appropriates for school grants a sum that will raise per-pupil grants high enough so that they more than offset the reduction in number of pupils.

Perhaps the most frequent criticism of this system made to the Commission is that it does not give due recognition to the existence of fixed as well as variable costs associated with a board's operations. That is oversimplifying the case, of course. Some costs are fixed for a short period, some for a longer period, some for a very long period indeed. But the criticism is well grounded. The problem is most apparent in boards where both elementary and secondary schools are small and sparsity of population makes consolidation difficult or impractical.

Variations in unit costs across the boards were frequently referred to in the hearings and briefs. They are of particular concern in northern Ontario, of course, where all services, education included, can be had only at higher than average costs. Only one recommendation regarding the particular problems of the north (more correctly, small boards in sparsely populated areas) will be offered in this Second Interim Report, but the general recommendations I will make here should also be of some help to boards there.

The use of "stimulation" or "incentive" grants is another source of criticism. Much has been accomplished in influencing the development of programs by these grants, which was what they were intended to do. But they have by no means been an unmixed blessing. The boards fear that if

the grants are terminated or reduced, as has happened in the past, and this is done with inadequate notice, it would be necessary for the board either to cancel the service or activity, which would mean the grant did not fulfill its purpose, or to maintain it as a service for a minority of students at some sacrifice in the quality of the basic program being offered to all students. This conflict of interest between the beneficiaries of special services and the general population of students is most evident in the provision of special education for the handicapped or the gifted and in language teaching (e.g., the provision of French immersion programs for some children).

I recommend that the provincial government discontinue stimulation or incentive grants, instead integrating the services being fostered into the general program when it is felt they are essential or worth financing in the same way as basic components of school programs. If, however, some special services are to continue to be encouraged through stimulation grants, I recommend that the grants cover the full costs of the services provided and that the boards discontinue such services when the full-cost grant is discontinued.

Some of the criticisms that I have heard, and which I have come to endorse, are not really directed at the grants system at all, but at the government. The critics complain that the government no longer assigns a high priority to education. The most often cited evidence is the changes in the proportion of board operating expenditures borne by the province. The steady increase in that variable to just over 60 percent in 1975, followed by a decrease to about 53 percent in 1978, is associated in many people's minds with substantial and unanticipated increases in local taxes in recent years. As I have pointed out in Section A of this report and in the First Interim Report, it can be argued that this change has not necessarily been accompanied by a substantial increase in the real burden of school costs for local ratepayers. And it is certainly the case that a number of qualifiers should accompany our observations about rising local taxes. The fact remains, however, that the opinion is widely held that the province places diminishing importance on education in provincial finance.

To the perceived injury of an increasing role of local taxes in education finance is added the apparent insult of difficult-to-comprehend delays in announcing the particulars of the grants scheme from year to year. There is also an absence of short-term or long-term forecasts of the province's financial participation in school finances to facilitate planning at the board level.

I am willing to assume that the government has made the decision to transfer a larger portion of costs, in particular of increasing unit costs, to the boards and the ratepayers in their constituent municipalities.¹ This is a tactic that is congruent with the province's declared intention to reduce provincial budget deficits and balance the budget by 1981. Very likely, however, increasing the role of the boards and local rate-payers in education finance was also a deliberate tactic for controlling education expenditures. In effect it replaces provincial expenditure ceilings with ratepayers' resistance as the main control on rising expenditures. Whatever the reasons behind the changing role, one of the effects has been to give the appearance of a lower priority for education in the provincial budget.

I will have more to say about both the reality and appearance of a falling priority for education in my Final Report. Most of my views on the alternative tactics for controlling expenditures must also wait until the Final Report. However, as I emphasized in Section A above, some immediate steps on the part of the government are needed to reduce uncertainty and promote the stability of the education system in the short run.

I have read and heard many arguments for moving away from an enrolment-based grants system and to some form of program-based funding. It is doubtful that I will be convinced of the general necessity or utility of this. But again I am impressed by the special problems associated with declining enrolments in very small boards in sparsely populated areas. I recommend that the Ministry of Education endorse the principle of

¹See the very interesting projections of provincial grants in David Foot's "Resources and Constraints: Public Education and the Economic Environment in Ontario, 1978-1987", Working Paper #1, Commission on Declining School Enrolments in Ontario, 1978.

program-based funding for boards with very small enrolments in sparsely populated areas and undertake immediately to identify the boards it wants to put into a special category for this purpose. This may amount to little more than an expansion of the concept of isolate boards already recognized in the Grant Regulations. It is, after all, only a recognition that for demographic-geographic reasons we have some marginal boards. By comparison with most boards their operations are "uneconomical" in the sense that unit costs are inordinately high. In some places, and at some point of enrolment decline, some marginal school operations may have to be abandoned. Program-based funding for marginal boards is an intermediate step between enrolment-based funding and termination of operations.

However, it is not just very small boards that face some unusually difficult challenges associated with declining enrolments. I recommend that boards experiencing greater than average rates of enrolment decline in 1979 and 1980 be given some protection immediately against the financial consequences of that decline. I accompany this recommendation with the specific suggestion that the grant reduction associated with enrolment declines in excess of the forecasted provincial average decline in 1979 and 1980 be limited each year, and for that year only, to 33 percent of what it would be without this provision. (For example, if the average decline in a given year is 3 percent and a board experiences a 5 percent enrolment decline, the grant reduction associated with the 2 percent in excess of the average will be replaced by a grant adjustment that year equal to 67 percent of that reduction.) The exact amount of this "financial cushion" is less important, however, than that it be significant, certain and made known as far in advance as possible. This tactic demands that a forecasted provincial average enrolment decline for both elementary and secondary schools be used rather than an actual average based on the numbers when they become known. My own or somebody else's projections of enrolment for 1979 and 1980 may be used to produce a "best guess" forecast each year.

In the next few years enrolment declines will be more noticeable in secondary schools. They will be most severe there in the early 1980's.

My recommendations for an adjustment in the grants system for 1981 and afterwards will be in the Final Report.

Though I am not ready to offer recommendations for immediate action on the uneven distribution of commercial and industrial assessment across the boards, I do wish at this time to make some comments about the situation. It is not new, of course, but the inequities are probably exacerbated by declining enrolment plus the associated increase in the importance of local taxation in financing education, and certainly by the pattern of declining enrolments across the boards. The Roman Catholic separate school boards have a special problem in this respect. They have very little access to industrial and commercial assessment, even when their jurisdictions include highly industrialized areas. The Corporation Tax Adjustment Grant in effect from 1964 to 1968 provided a provincial grant to each separate board that was, on a per pupil basis, equivalent to the tax revenue realized by the public board from taxes on the industrial and commercial assessments within the separate board's jurisdiction. The provision was removed, with the consent of the separate school boards, when the present grant scheme went into effect in 1969. Generally speaking, the new plan assured the separate boards higher levels of provincial funding and near equity in revenue with the public boards. Now, however, separate boards face the same pressures as public boards to increase their above-grant-ceiling expenditures and for them too grants are becoming a smaller portion of total board expenditures. As they are forced to pay an increasing part of operating expenditures from local rates, their lack of access to industrial-commercial assessments is coming to have serious consequences. To some degree the problem of uneven distribution of industrial and commercial assessments is part of the issue of equity to the two elementary systems.

However, I do not want to overemphasize the separate school issue here. It remains the case that in spite of the formation of larger public and separate school boards in 1969, assessment resources are still unevenly distributed across the boards and much of this inequality is associated with the distribution of commercial-industrial assessment.

Ironically, that assessment is concentrated in areas where enrolment declines are most marked. In other words, those areas best able to support quality education have the most rapidly eroding school populations.

The purpose of this discussion on industrial-commercial assessment is not only to register my concern for an old problem assuming new aspects and dimensions, but to suggest that some radical changes may be called for in the taxation of that assessment and the distribution of those taxes. I will, of course, return to this in the Final Report, and consider there the advantages of separating industrial-commercial assessment from the assessment of residential and farm property.

I am left with two more finance issues which call for an immediate policy response.

So that they can better plan their own revenues and expenditures, the boards are in need of reliable statements of intermediate-run government intentions regarding education finance. I recommend that the government begin immediately to prepare a five-year plan that clearly states its intentions regarding the level and method of education finance. This plan should be reviewed and updated every two years and be made available to all school boards at least six months prior to the beginning of the financial year of the boards. I believe such a plan can and should be made available for September, 1979, and should incorporate the special declining enrolment grant proposed earlier.

School boards would also find it easier to plan if their fiscal year were the same as their "operations" year. Especially in the case of large county boards and separate school boards it makes more sense in budgetting, and in nearly all financial operations, to use July 1 to June 30 as the fiscal year, instead of the calendar year. This would not pose any difficulties in the case of revenues secured through legislative grants, but it might prove awkward (although it need not do so) in the case of requisitions by boards on municipalities' local tax monies.

The terms of office for elected school board trustees are also based on the calendar year. The case for change here is strong if schools adopt the "operations" fiscal year. If the calendar year remained in force for the trustees, the old board would be operating the schools for half a year before the "new" board took office. That could lead to serious difficulties if prudence were not exercised by the "old" board in making commitments which would have to be honoured by the "new" board in the last half of the same school year.

Although these matters are, strictly speaking, outside my terms of reference since they are not affected by declining enrolments, I do urge most strongly that the school year, July 1 to June 30, be used in both cases.

RECOMMENDATIONS

- 1) *Discontinue stimulation or incentive grants.*
In the case where the services being fostered are deemed essential, or worth financing in the same way as basic components of school programs, integrate them into the general program. But if the grants are continued, have them cover the full cost of the service.
- 2) *Endorse the principle of program-based funding for boards with very small enrolments in sparsely populated areas and undertake immediately to identify the boards to be put into that category.*
- 3) *Give some financial protection to boards experiencing greater than average rates of enrolment decline in 1979 and 1980. (See page 59 for specific recommendation for the amount of that protection.)*
- 4) *Begin immediately to prepare for September, 1979, a five-year plan clearly stating the government's intentions regarding the level and method of education finance. Review and update this plan every two years and make it available to all school boards at least six months prior to the beginning of the financial year of the boards.*

3. Programs

My early suspicions that the quality of education was being adversely affected by the consequences of declining enrolments have been strengthened by what I heard at Commission hearings and what I have read in the briefs and studies. The fear of a reduction in the range of curriculum offerings is justified. Programs such as art, music and drama have already been adversely affected at the elementary school level in some places. It is likely that at the secondary level there will be more severe effects on the wide range of programs now available to meet the needs of our diverse student bodies.

For all that, I believe it is possible to improve the education we offer to our children, and perhaps even that we offer adults. In recent decades our attention has been directed to adding to the curriculum as special interests and needs were identified, but we eliminated few elements and gave too little attention to coordination and consolidation. Not enough thought has been given to the unity of purposes and content and the moulding of a curriculum to serve our diverse society. Different curriculum principles from those that served us well under expansion must be emphasized now that the school system is contracting. Nevertheless, I maintain that in the future we should be able to look back on this as a time of curriculum-development opportunities. Fewer children can and should mean better educational experiences and opportunities.¹ But the improvements will not be automatic. They require planning and sustained effort.

Two issues are paramount here: planning the curriculum and organizing resources to implement the plans. All other aspects of planning -- staffing, administration, facilities and finance -- must be in accord with and facilitate curriculum planning.

Over the last hundred years there has evolved in Ontario what might be called our philosophy of quality education. Elements of that philosophy include decentralization of and sharing in decision making, equality of

¹That is, if we are prepared and willing to make necessary changes. The new (systems) approach suggested by Howard Mountain and Elizabeth Hill, for example, should be very seriously considered as an innovation worthy of implementation. See Brief No. 164 of this Commission.

opportunity for all students and a high degree of freedom of choice by students among a variety of curriculum options. We must now acknowledge some risk to these aspects of quality education because of declining enrolments.

Boards that operate small schools facing continuing enrolment declines may have serious problems offering even the programs required by the Ministry of Education, the programs we now take for granted as the minimum to be offered by almost any board.

Following is a descriptive outline of the required program at its present stage of development:

- i) Primary and Junior Divisions, grades 1-6. Policy is outlined in the P1J1 Circular, "The Formative Years". This document is quite prescriptive, but does give the individual board and teacher considerable scope in deciding how the work may be taught. Resource documents for teachers, referring to a number of sections, have been prepared.
- ii) Intermediate Division, grades 7-10. Policy is in a transition stage with an Intermediate Circular being prepared. A number of guidelines are being revised or expanded, seven of which are required study at the grade 9 and 10 levels. Each has a prescribed core. Most guidelines at this level have a considerable amount of resource material to assist the teacher in preparing courses of study.
- iii) Senior Division, grades 11-13. Policy is outlined in Circular HS1 and requires that English be taken in grades 11 and 12. In addition, this document, which also outlines policy for grades 9 and 10, requires that a student must have completed twenty-seven credits in secondary school, with at least three in each of the four main areas of study, for Secondary School Graduation Diploma purposes. An additional six credits are required for the Secondary School Honour Graduation Diploma.

The P1J1 document, "The Formative Years", has been policy since 1975. Policies for the other two divisions have been adjusted continuously to meet the demands of a changing society. For all divisions it is the school board's responsibility to translate Ministry policy into programs suitable to local needs.

For schools with declining enrolments, fewer students will generally mean fewer teachers, but not necessarily a corresponding reduction in the variety of needs and interests of the student body. But there could be a reduction in options and specializations, especially in vocational schools. The reduction of the teacher force may result from attrition or from lay-offs determined by seniority. Either condition incurs the risk of causing a board or school to be understaffed in some high priority curriculum areas, yet well staffed in some low priority areas.

Our first concern must be to see that the required program not be eroded under the conditions associated with declining enrolments.¹ It may seem that there is little danger of this, but under the pressures to keep schools open it is probable that some boards will resist (or find impractical) any consolidation of schools and face increasing difficulties in maintaining a required program. My first recommendation is that steps be taken immediately to determine whether all schools throughout the province have the required program, i.e., the minimum set of education offerings specified by provincial policy. If necessary, the Ministry's monitoring process should be redirected to this activity.

At this point it is appropriate to remind the reader of the second recommendation offered in the section above on School Finance that program-based grants be allocated to boards least able to cope with problems of declining enrolments.

It may be considered as necessary that secondary schools continue to offer students the opportunity to choose among a "reasonable" number of options and specializations (i.e., not much less than the number to which they have become accustomed). I recommend, therefore, that a statement of the "expected minimum range" of optional course offerings be prepared by the Ministry of Education to guide the monitoring activity recommended above. In time this statement may be modified to form a set of "core program opportunities", or the basic range of options among

¹For a thoughtful discussion of many of the crucial implications, readers should consult the article by Robin H. Farquhar in the recent issue of Canadian Education (Summer, 1978), entitled "Our Schools Need Help".

which every high school student can expect to choose, regardless of where he attends school.

In the section above entitled The Structure of the School System, I dealt with some of the pressures on the schools to expand their mission and to provide a range of community services. A comparable set of pressures must be discussed in connection with curriculum planning. As they have always been, our schools today are seen as instruments of social policy. Our approach to curriculum planning will in large measure be determined by our willingness to see the schools serve the objectives of such policies, in particular when those objectives are associated with ministries other than education.

At present, for example, provincial government policies for the Francophone community are important to national unity and Confederation and have direct effects on language instruction in our schools. Government policy toward other ethnic groups, or "multiculturalism", has contributed to the development of the heritage language program. A related policy area is civil liberties. The recent emphasis here on policies to cope with racism in all its manifestations has influenced the development of curriculum materials. In addition government policies pertaining to health, welfare and recreation influence our choices of in-school experiences for children.

Perhaps most important in the long run is the relationship of education, work and retirement in the life of our citizens. Education has been and still is primarily directed to further education and not to work and leisure. Despite that orientation our system has produced a paradox: many complain that the graduates of our schools lack work skills, yet there is evidence that most workers, even those in the professions, are overtrained for the tasks required. Schools are generally unprepared for the fact that our lifespan continues to increase at the same time as work shrinks into shorter hours and fewer years. In addition to more leisure time, as the demographic factors we have studied show, there will be a steadily increasing number of persons in retirement, unless, of course, economic conditions unexpectedly lead to a longer working life. Social policies towards that group should have an education component. Consideration must be given to the extent to which education

serves the shorter working period of life and the longer leisure and retirement period. Various kinds of work-study programs, often termed "cooperative" programs, are being considered to link education more closely with the world of work. Just as job-sharing and extended part-time employment contracts can make it possible to blend retirement gradually with work from, say, 50 to 75 years of age, so work-study programs can blend education and work. Social policies which provide sharp divisions between education, work and retirement are inappropriate.

The curriculum issue can be simplified by presenting it in the form of two extreme positions:

Coordination of efforts of the Ministry of Education and other ministries to plan social policy. This coordinated effort would produce the operational objectives of the education system and resolve the competitive claims on public funds of education and other services. The education system would change in character, as would the activities and systems associated with the other ministries.

OR

Insulation of curriculum planning from other areas of public policymaking and planning. The curriculum would evolve within a specific institutional structure and influence from many "special interest" groups, including government itself, would be episodic. The objectives of curriculum development would not be systematically related to politically determined societal goals.

Neither one corresponds to the situation we know, but the prevailing arrangement is certainly closer to the second. I believe we would be well served by some movement in the direction of the first. However, it must be conceded that significant change in the relationships between planning for social development and planning of school experiences must wait upon some very thoroughgoing changes in our styles of making public policy. Any recommendations in my Final Report that curriculum planning be an integrated part of more general social planning will likely be for rather modest efforts.

Other aspects of curriculum planning and program development that must be looked at in the context of declining enrolments include curriculum materials development, correspondence education and professional development. I have no recommendation for immediate action with regard to these, however, and for that reason will deal with them in my Final Report.

RECOMMENDATIONS

- 1) *Take steps immediately to determine whether all schools throughout the province have the required program, i.e., the minimum set of educational offerings specified by provincial policy. If necessary, redirect the Ministry's monitoring process to this activity.*

(If, in fact, there are some boards that cannot provide that program in every school, or have only marginal capability, decide whether they should be put into the category of boards for which program-based funding will be considered. See second recommendation under School Finance.)

- 2) *Prepare a statement of the "expected minimum range" of optional course offerings in secondary schools to guide the monitoring activity mentioned in the above recommendation.*

4. Administration

One of the greatest challenges we face in this period is the management of decline. A heavy and highly visible responsibility will be placed on many of the school boards and their administrative staffs as they handle some tough and potentially explosive situations such as school closings, attendance boundary changes, increased transportation needs and the difficult task of dispensing with the services of some of their instructional and support staffs. It is easy in an expanding system to build over mistakes and cover if not correct them; in a declining system every error of omission or commission stands forth in bold relief. It is then that the strains begin to show between and within the central authorities and the local authorities in roles and functions, division of responsibilities and definition of powers and duties, all making coordination of efforts and the development of a genuine spirit of trust difficult. It becomes essential to create conditions whereby knowledge and understanding of the tribulations of each constituency can be communicated. This is the central issue in examining adjustments in the relationships between central and local authorities.

Each of the constituencies concerned with the governing of education (Ministry, boards, teachers, etc.) is deeply committed to the improvement of education even in the face of declining enrolments, although each is naturally motivated to at least some extent by special interests. Many of the strategies they have suggested and adopted are really stop-gap short-term solutions, however, and these are not good enough for the essential problem, namely maintaining quality education in the face of enrolment declines and economic and financial restraints. It is possible that to meet these new realities some fundamental changes in the structure of the governing system must be considered,¹ although there is unlikely

¹A strong case has been made urging that school boards be abolished and the provincial government finance and operate all schools in the province (which, in the case of Roman Catholic separate schools, would presumably be unconstitutional). See Richard Bird's "Financing Education in Ontario: Issues and Choices", Working Paper No. 2, Commission on Declining School Enrolments in Ontario, 1978, and David Cameron's "Declining Enrolments and the Financing of Education in Ontario", Working Paper No. 11, Commission on Declining School Enrolments in Ontario, 1978.

to be a complete restructuring. There is general agreement about the value of local authority over education matters, which is consonant with our long and honourable tradition of community responsibility for education. Similarly, it is generally agreed that, beginning with Egerton Ryerson, the Ministry of Education has played a major role in shaping what is an effective education system, one that is envied in many other jurisdictions in this country and throughout the world.

The basic need is to determine just what combination of functions and what organizational arrangements involving the Ministry, administrators and school boards will best serve education in the current social and economic conditions. What we have now, but are quickly moving away from, is an adaptation of what students of administration often refer to as the bureaucratic model. Our variation is characterized by a hierarchy operating under a set of rules and procedures designed to ensure some measure of impersonality in the decision-making process to reduce or limit autocratic decisions and to promote some degree of participatory democracy. The Ministry, through the revenues it controls, its curriculum guidelines, its supervisory and evaluative functions and its certification and other regulatory powers, plays a crucial role. But recently teachers have organized themselves into very effective groups and exercise substantial influence on education affairs, at the provincial as well as at the local level. Community groups have become much more vocal and active and exercise a great deal of influence at the local level over the actions of the school boards and their officials. Even the media and other ancillary organizations have an impact on what happens in education and on how resources which are available are allocated. In brief, we have moved closer to a political model in recent years, and away from the bureaucratic model.

This trend will continue and there is plenty of evidence already that the strains arising from enrolment declines are hastening the process. Education has always been inextricably involved with politics, of course. But there has traditionally been a remarkable degree of insulation between the politics of education and the general political realm. Now, for better or for worse, we are treating education more like other

policy areas and are using the same political strategems and instruments. I believe, from what I have seen and heard, that the adjustments to how we conduct education in Ontario and how we allocate resources to it will in the future be developed on a political basis. In fact, I believe that only in this way can we hope to meet successfully the challenges of both declining enrolments and financial constraints. Accordingly, I recommend the initiation immediately of sustained efforts at a political solution to many of the emerging local and provincial problems associated with declining enrolments, in particular problems of coordination and cooperation. By this I mean the organization of many sessions for discussions, negotiation and plain political horse-trading among interest groups. This will include meetings between administrators and trustees of neighbouring and overlapping board jurisdictions to negotiate the exchange of education services and of real estate, meetings between school boards and teacher organizations to negotiate such issues as work conditions and benefits, meetings between the Minister or Ministry spokesmen and teacher organizations, boards, administrators, etc. In general, interest group representatives are not blind to political realities and inevitabilities. Many of the problems associated with the management of the schools under emerging conditions can be dealt with when and where they occur if we have a strong tradition of interest group negotiation and accommodation. Provincial policy will be most effective if it complements a dynamic system of political accommodation at all levels. It is my hope and expectation that board administrators will play an active role in promoting this activity, to their own and everybody else's advantage. I also suggest an activist role on the part of the Ministry of Education in promoting these decentralized political processes.

In this connection, I feel that the Ministry of Education has delegated to the boards authority in certain areas that it now appears could be better handled centrally. I do not make this observation on the basis of any strongly held view on centralization versus decentralization. I am of the opinion that a healthy organization goes through recurring phases of both. Moreover, it is perfectly rational for a well-run organization or system to be decentralizing some functions

and centralizing others. I recommend that the Minister take steps to increase his Ministry's control in certain finance areas such as the use and sale of school buildings and sites and the working conditions and benefits of school staff members (both instructional and support), including pensions, termination gratuities and like arrangements. It is assumed, of course, that control by the Minister over these matters will be accompanied by development of policies which make allowances for vastly different conditions in various jurisdictions.

At the same time, the tradition of local control must be retained and strengthened wherever appropriate. This is an important and sensitive matter, with some particular problems related to declining enrolments. Board control must be maintained or strengthened in ways we believe will improve the education system. The political process must be encouraged in ways that will retain for the local authorities powers over certain of their own affairs, in particular those where the local taxpayers pay the bills.

One element of our school system gives me great concern because of its fragmentary nature and its relatively low level of political influence. I speak of the provincial organization of school trustees which, in comparison with that of the teachers, seems to be rather disorganized and powerless. After nearly 40 years of close association with public education in this province, I know well the history behind the present situation. History notwithstanding, the province now needs a strong organization of school trustees. This organization would be an important participant in the politics of education as it is now emerging. I recommend that the Ministry of Education do what is in its power to facilitate the emergence of a strong province-wide trustees organization. This recommendation is also directed to the trustees organizations.

I am not advocating a new location of power to counter the teachers' organizations and place them in confrontation with trustees. What I am recommending is an organized and powerful voice for the trustees to be used in the service of the youth in our schools. Board members do in a very real way act as "trustees", in the best sense of that term, as well as act as representatives of concerned citizens at the local level.

The implications of these three major recommendations, in particular the politicization of education, will be dealt with in detail in my Final Report. To me the immediate issues are the recognition of the political nature of the control over education decision-making today and the development of an organization of trustees which can speak with one voice and play an important political role. Just as important, perhaps, is that the Minister move with dispatch to regain or obtain authority over some financial and associated areas that need to be dealt with on a provincial basis.

One comment on a major issue should perhaps be included at this point. I prefer the present organization of the Metro Toronto system for school purposes and fully agree with the government decision not to implement the Robarts' recommendations to revert to a system of independent boards and discard the central Metro Toronto School Board. The needs which led to the formation of the present system, and the advantages to be gained by it, still exist in large measure.

RECOMMENDATIONS

- 1) *Initiate immediately a sustained effort to promote decentralized political solutions to emerging local and provincial problems associated with declining enrolments, in particular, problems of coordination and cooperation. Begin the organization of many sessions for discussions, negotiation and trade-offs to deal with specific inter-board and inter-interest group issues. Encourage board level administrators and Ministry of Education officials to take the initiative in promoting these activities.*
- 2) *Take steps to increase the Ministry's control over certain finance-related decisions, including the use and sale of school buildings and sites and the working conditions and benefits of school staff members, such as pensions, termination gratuities and like arrangements.*
- 3) *Do what is in the Ministry's power to facilitate the emergence of a strong province-wide trustees organization that can speak with one voice and play an important political role.*

5. Teacher Education

Teacher education covers pre-service and in-service training (including graduate studies in education) and is best seen as a continuum. I plan in my Final Report to present a series of specific recommendations that will deal with both phases. However, there is one feature of the problem that must be presented now so that some action may be taken immediately. That is the size of the existing pre-service education programs, at the Ontario Teacher Education Colleges (OTECs) and the university faculties of education, to which large numbers of applicants are being admitted and educated at public expense (and at considerable expense to their parents and themselves, if foregone earnings are included), but for whom the chances of securing teaching positions in our publicly supported schools become increasingly smaller. As school enrolments decline, experienced teachers are not leaving their positions and any new positions that do appear are normally filled by those young but experienced teachers declared surplus in other schools. While such appointments, and others where a teacher returns from a leave of absence, are frequently referred to as "new hirings", the term is misleading. It is not restricted, as so many assume, to the hiring of newly-qualified graduates from teacher training institutions. Indeed, as the decline in school enrolments continues, the "pool" of qualified and experienced teachers (for the most part, still young persons) grows steadily bigger and the chances of employment for new graduates become ever smaller. Some do obtain employment, it is true, and this happens most frequently in the Roman Catholic separate school system where decline in enrolment is not as severe, at least not yet except for a few boards.

The ratio of teacher requirements to admissions has not greatly improved in recent years, although the Minister of Education recently announced a 50 percent cut in enrolment at the OTECs, the only institutions over which he can at present exercise direct control.¹ Certain of the faculties of education have announced modest cut-backs in admissions,

¹The faculties of education are part of the university system and come under the Ministry of Colleges and Universities. In that jurisdiction the government has never to my knowledge exercised direct control over admission to any faculty.

but voluntary constraints are highly unlikely to deal adequately with the magnitude of the problem so long as faculty budgets are dependent as they are upon an enrolment-based formula for funding.

Complete and up-to-date information for both elementary and secondary school newly-qualified teacher graduates is available, and the figures for the years 1972 to 1977 are given in Tables 9 and 10, for elementary teachers and secondary teachers respectively. The first five columns of each table show where the successful graduates (male, female, and total) have been employed in the province. A total for the whole province is shown in the sixth column. The second last column shows the number "inactive", which means graduates without a classroom teaching job in Ontario. The last column shows the total number of graduates (i.e., those who received teaching certificates) each year, not the total number enrolled in the teacher training institutions (i.e., excluding those who failed to graduate).

These data were secured from the Teacher Information File of the Ministry of Education, which is updated annually, so that the file shows the number who secured teaching jobs and the number (classified as "inactive") who did not get a teaching job in Ontario after graduation in each of the six years 1972 to 1977. Totalling the "inactive" column of Table 9 for elementary schools, one finds 5,702 graduates did not get jobs as teachers and that graduates in 1977 made up 29.4 percent of the total number. The job situation was bad in 1972, at the beginning of the elementary school enrolment decline, but improved slightly through 1975 as the total number of graduates went down. It deteriorated again in 1976 and 1977 as larger numbers entered the teacher training institutions. Worst of all is the record for 1977, when only 43.5 percent of new graduates managed to find teaching jobs.

The picture is somewhat improved, if one takes into account the fact that some students find alternative employment in other jurisdictions or outside the school system where their teacher training may be found

ACTIVE AND INACTIVE ELEMENTARY SCHOOL TEACHER GRADUATES OF COLLEGES AND UNIVERSITIES IN ONTARIO, 1972-1977
(SHOWING DESTINATION OF ACTIVE GRADUATES AND PERCENTAGES OF PROVINCIAL TOTAL)

YEAR OF GRADUATION	A C T I V E										INACTIVE		GRAND TOTAL		
	CATCHMENT AREA	REMAINDER OF REGION		TOTAL REGION		METRO TORONTO*		OTHER ONTARIO		TOTAL ACTIVE		No.	%	No.	%
1972		No.	%	No.	%	No.	%	No.	%	No.	%				
	MALE	330	28.6	221	19.2	551	47.8	19	1.6	295	25.6	865	75.0	289	25.0
	FEMALE	570	24.1	285	12.1	855	36.2	44	1.9	464	19.7	1,363	57.7	998	42.3
	TOTAL	900	25.6	506	14.4	1,406	40.0	63	1.8	759	21.6	2,228	63.4	1,287	36.6
1973															
	MALE	278	32.3	170	19.8	448	52.1	21	2.4	198	23.0	667	77.6	193	22.4
	FEMALE	524	26.8	272	13.9	796	40.7	53	2.7	406	20.8	1,255	64.2	701	35.8
	TOTAL	802	28.5	442	15.7	1,244	44.2	74	2.6	604	21.5	1,922	68.3	894	31.8
1974															
	MALE	156	35.7	76	17.4	232	53.1	11	2.5	107	24.5	350	80.1	87	19.9
	FEMALE	414	34.9	139	11.7	553	46.6	50	4.2	272	22.9	875	73.8	311	26.2
	TOTAL	570	35.1	215	13.2	785	48.3	61	3.8	379	23.4	1,225	75.5	398	24.5
1975															
	MALE	210	42.5	70	14.2	280	56.7	10	2.0	112	22.7	402	81.4	92	18.6
	FEMALE	608	38.7	199	12.7	807	51.3	60	3.8	372	23.7	1,239	78.8	333	21.2
	TOTAL	818	39.6	269	13.0	1,087	52.6	70	3.4	484	23.4	1,641	79.4	425	20.6
1976															
	MALE	271	31.5	120	14.0	391	45.5	20	2.3	182	21.2	593	69.0	267	31.0
	FEMALE	764	33.0	278	12.0	1,042	45.0	56	2.4	464	20.0	1,562	67.4	754	32.6
	TOTAL	1,035	32.6	398	12.5	1,433	45.1	76	2.4	646	20.3	2,155	67.9	1,021	32.2
1977															
	MALE	81	10.5	104	13.4	185	23.9	4	0.5	166	21.5	355	45.9	418	54.1
	FEMALE	237	10.8	265	12.1	502	22.9	20	0.9	415	18.9	937	42.7	1,259	57.3
	TOTAL	318	10.7	369	12.4	687	23.1	24	0.8	581	19.6	1,292	43.5	1,677	56.5

Each percentage has been rounded and may not necessarily total exactly 100.

*Shown here are graduates of colleges and faculties located outside Metropolitan Toronto only.

Source: Teacher Information File, Ministry of Education.

ACTIVE AND INACTIVE SECONDARY SCHOOL TEACHER GRADUATES OF COLLEGES AND UNIVERSITIES IN ONTARIO, 1972-1977
(SHOWING DESTINATION OF ACTIVE GRADUATES AND PERCENTAGES OF PROVINCIAL TOTAL)

80

YEAR OF GRADUATION	A C T I V E										INACTIVE		GRAND TOTAL	
	CATCHMENT AREA	REMAINDER OF REGION	TOTAL REGION	METRO TORONTO*	OTHER ONTARIO	TOTAL ACTIVE	No.	%	No.	%	No.	%	No.	%
1972	MALE	288 18.6	252 16.3	540 35.0	46 3.0	497 32.2	1,083 70.1	462 29.9	1,545 100					
	FEMALE	211 17.4	146 12.1	357 29.5	38 3.1	266 22.0	661 54.6	550 45.9	1,211 100					
	TOTAL	499 18.1	398 14.4	897 32.5	84 3.1	763 27.7	1,744 63.3	1,012 36.7	2,756 100					
1973	MALE	248 16.0	288 18.5	536 34.5	34 2.1	512 32.9	1,082 69.6	473 30.4	1,555 100					
	FEMALE	227 17.5	181 14.0	408 31.5	32 2.5	372 28.8	812 62.8	482 37.2	1,294 100					
	TOTAL	475 16.7	469 16.5	944 33.2	66 2.3	884 31.0	1,894 66.5	955 33.5	2,849 100					
1974	MALE	333 25.7	201 15.5	534 41.2	48 3.7	376 29.1	958 74.0	336 26.0	1,294 100					
	FEMALE	340 24.4	180 12.9	520 37.4	44 3.2	376 27.0	940 67.6	451 32.4	1,391 100					
	TOTAL	673 25.1	381 14.2	1,054 39.3	92 3.4	752 28.0	1,898 70.7	787 29.3	2,685 100					
1975	MALE	371 26.0	264 18.4	635 44.4	50 3.5	406 28.4	1,091 76.3	338 23.7	1,429 100					
	FEMALE	506 29.2	279 16.1	785 45.3	56 3.2	450 25.9	1,291 74.5	441 25.5	1,732 100					
	TOTAL	877 27.7	543 17.2	1,420 44.9	106 3.4	856 27.1	2,382 75.4	779 24.6	3,161 100					
1976	MALE	327 20.3	293 18.3	620 38.6	66 4.1	356 22.1	1,042 64.8	566 35.2	1,608 100					
	FEMALE	443 24.4	311 17.1	754 41.5	54 3.0	375 20.7	1,183 65.2	632 34.8	1,815 100					
	TOTAL	770 22.5	604 17.6	1,374 40.1	120 3.5	731 21.4	2,225 65.0	1,198 35.0	3,423 100					
1977	MALE	123 8.3	183 12.3	306 20.6	8 0.5	313 21.1	627 42.2	857 57.8	1,484 100					
	FEMALE	134 8.1	237 14.5	371 22.6	11 0.6	335 10.5	717 43.8	921 56.2	1,638 100					
	TOTAL	257 8.2	420 13.5	677 21.7	19 0.6	648 20.8	1,344 43.0	1,778 57.0	3,122 100					

Each percentage has been rounded and may not necessarily total exactly 100.

*Shown here are graduates of colleges and faculties located outside Metropolitan Toronto only.

Source: Teacher Information File, Ministry of Education.

to be a useful qualification.¹ Accurate statistics for this phenomenon are impossible to secure because most of the faculties have not maintained records of even the first placements of all their graduates. But at best the numbers involved would not alter the situation substantially.

The situation for secondary schools, as will be seen from Table 10, is remarkably similar in nearly all respects. Again there was a distorted relationship in 1977 -- and the decline in secondary school enrolment is just beginning. The future for new graduates from teacher training institutions appears grim. It may well be asked whether such conditions should be permitted to continue, or whether direct intervention by government to prevent wastage of human and financial resources is not warranted. I believe that the government must in fact intervene directly, but before I discuss the ways and means of doing this, it would be useful to consider the mobility of teachers -- how many leave each year, how many return and what the losses are through death, retirement, etc. These data are given in Tables 11, 12 and 13, 14, for elementary and secondary schools for the period 1966-67 to 1976-77. They were secured from the Reports of the Ministry of Education. It is well known that a major criterion used in determining whether a teacher is to be declared surplus or redundant is the number of years of experience -- i.e., "seniority" -- in the service of the board (or in a number of unfortunate cases, within a particular school² within a system). What has resulted, as these tables on withdrawals and acquisitions reveal, is that the system has "frozen", i.e., teachers do not move, and indeed, we were informed at some of the Commission's hearings that some now seem very reluctant even to ask for leaves of absence of any kind. Of course, when a teacher moves to another board system -- Metro Toronto is an exception -- he or she goes to the bottom of the list³ of seniority and any contract would very likely be a term or probationary one, possibly

¹One of our studies, by Brian Wolfe, of those engaged in occupations other than teaching (to be published as a Working Paper) raises grave doubts about the value of either the undergraduate or the teaching courses as qualifications for any occupation other than teaching, at least in the opinion of those affected.

²I believe the legality of this practice has not been tested. The individual contract signed by both parties is, after all, between the teacher, as the employee, and the school board, as the employer.

³We were informed that this may also occur when supervisory officers (but not consultants) are reassigned to classroom teaching duties.

TABLE 11
ACTUAL FULL-TIME ELEMENTARY SCHOOL TEACHERS WITHDRAWALS, 1966-1977

WITHDRAWALS	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
1. TO TEACH IN ELEMENTARY, SECONDARY, PRIVATE, OR TEACHERS' COLLEGES IN ONTARIO	1,704	938	853	615	607	406	256	266	254	297	287
2. TO TEACH IN SCHOOLS OUTSIDE ONTARIO	---	584	593	512	410	233	212	313	300	267	179
3. TO TEACH ON A PART-TIME BASIS IN A PUBLICLY SUPPORTED SCHOOL	---	234	290	294	506	548	520	553	640	604	714
4. TO TEACH IN A CAAT	---	---	---	---	---	---	6	8	13	3	6
4A. TO TEACH TRAINABLE RETARDED	---	---	---	---	---	---	17	36	23	22	31
5. TO ENROL IN TEACHERS' COLLEGES, UNIVERSITIES & OTHER EDUCATIONAL INSTITUTIONS	605	756	869	819	619	461	509	464	491	380	269
6. TO TEACH IN ANOTHER PROVINCE OR COUNTRY ON A FORMAL EXCHANGE PLAN	---	---	---	63	70	51	58	53	67	76	74
7. TO A SUPERVISORY OR ADMINISTRATIVE POSITION IN EDUCATION	---	333	453	415	228	350	325	422	500	379	396
8. TO A FIELD OUTSIDE EDUCATION	389	403	409	427	505	520	582	596	508	531	393
9. RESUMPTION OF HOUSEHOLD DUTIES	2,556	2,632	2,975	3,157	2,704	2,561	2,833	2,664	2,555	2,485	2,055
10. MARRIAGE	266	237	268	279	300	258	207	157	96	37.1	33.9
11. RETIREMENT	745	824	988	956	1,002	1,218	1,101	876	707	836	727
12. ILLNESS	140	167	140	156	132	125	127	133	140	128	106
13. DEATH	61	81	61	52	40	47	54	44	46	47	46
14. OTHER	577	287	398	472	690	639	762	790	801	642	777
TOTAL	7,043	7,476	8,297	8,226	7,813	7,417	7,569	7,375	7,141	6,697	6,060
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: ANNUAL REPORTS OF THE MINISTER OF EDUCATION.

TABLE 12
ACTUAL FULL-TIME ELEMENTARY SCHOOL TEACHERS ACQUISITIONS, 1966-1977

ACQUISITIONS	1966-67 No.	1967-68 No.	1968-69 No.	1969-70 No.	1970-71 No.	1971-72 No.	1972-73 No.	1973-74 No.	1974-75 No.	1975-76 No.	1976-77 No.
A. 1. FROM PRIVATE ELEMENTARY AND SECONDARY SCHOOLS	58	81	75	94	65	43	64	90	108	64	39
2. FROM SCHOOLS FOR THE TRAILBLAZE RETARDED	---	---	---	---	---	---	16	26	38	23	19
3. FORMER SECONDARY SCHOOL TEACHERS CERTIFIED TO TEACH ELEMENTARY GRADES	154	155	179	187	163	221	---	---	---	---	177
4. FROM SCHOOLS OUTSIDE ONTARIO	---	---	---	---	---	---	239	349	446	256	173
5. FORMER PART-TIME TEACHERS NOW TEACHING FULL-TIME	---	---	---	---	---	---	631	849	919	719	734
6. TEACHERS ON EXCHANGE FROM OTHER JURISDICTIONS	---	---	---	69	54	43	52	55	58	69	70
7. HOLDING LETTERS OF STANDING	1,025	1,010	774	511	189	193	114	201	237	120	31
8. WITH LETTERS OF PERMISSION	660	439	168	120	31	---	---	46	149	43	13
9. OTHER	1,030	1,196	1,111	1,252	841	1,097	1,257	1,369	1,403	899	396
B. GRADUATES FROM ONTARIO TEACHER EDUCATION PROGRAM	5,195	5,544	6,673	5,388	3,616	3,306	2,622	2,696	3,197	2,753	1,721
C. QUALIFIED TEACHERS RE-ENTERING PROFESSION	2,292	2,620	2,317	2,325	1,876	2,176	1,213	1,742	2,075	1,391	1,083
T O T A L	10,414	11,045	11,297	9,946	6,835	7,079	6,208	7,423	8,630	6,337	4,456
				100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: ANNUAL REPORTS OF THE MINISTER OF EDUCATION.

TABLE 13
ACTUAL FULL-TIME SECONDARY SCHOOL TEACHERS WITHDRAWALS, 1966-1977

WITHDRAWALS	1966-67 No.	1967-68 No.	1968-69 No.	1969-70 No.	1970-71 No.	1971-72 No.	1972-73 No.	1973-74 No.	1974-75 No.	1975-76 No.	1976-77 No.
1. TO TEACH IN ELEMENTARY, SECONDARY, PRIVATE, OR TEACHERS' COLLEGES IN ONTARIO	764	166	168	210	204	271	116	127	148	95	163
2. TO TEACH IN SCHOOLS OUTSIDE ONTARIO	---	297	305	314	296	197	128	172	128	116	87
2A. TO TEACH IN A SCHOOL FOR THE TRAINABLE RETARDED	---	---	---	---	---	---	3	10	3	2	1
3. TO TEACH ON A PART-TIME BASIS IN A PUBLICLY SUPPORTED SCHOOL	---	53	67	44	100	98	195	203	173	156	144
4. TO TEACH IN A CANT	---	141	80	71	31	35	25	24	10	8	6
4A. TO TEACH IN ANOTHER PROVINCE OR AN EXCHANGE PLAN	---	---	---	54	47	34	36	29	45	53	84
5. TO ENROL IN TEACHERS' COLLEGES OR UNIVERSITIES	471	482	588	616	471	304	219	227	196	189	158
6. TO A SUPERVISORY OR ADMINISTRATIVE POSITION IN EDUCATION	---	194	278	228	151	181	135	175	176	157	179
7. TO A FIELD OUTSIDE EDUCATION	353	359	454	498	453	460	550	548	439	394	292
8. RESUMPTION OF HOUSEHOLD DUTIES	541	645	722	834	782	686	581	519	467	448	361
9. MARRIAGE	95	103	97	98	91	58	67	53	25	307	350
10. RETIREMENT	237	254	305	307	367	508	416	291	275	307	330
11. ILLNESS	52	61	48	64	56	35	46	42	49	39	45
12. DEATH	38	36	40	43	36	53	35	53	36	42	52
13. OTHER	397	310	328	373	353	353	408	308	385	319	377
TOTAL	2,948	3,101	3,480	3,754	3,438	5,273	2,960	2,781	2,555	2,325	2,279
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: ANNUAL REPORTS OF THE MINISTER OF EDUCATION.

TABLE 14
ACTUAL FULL-TIME SECONDARY SCHOOL TEACHER ACQUISITIONS, 1966-1977

ACQUISITIONS	1966-67 No.	1967-68 No.	1968-69 No.	1969-70 No.	1970-71 No.	1971-72 No.	1972-73* No.	1973-74* No.	1974-75* No.	1975-76* No.	1976-77 No.
A. 1. FROM PRIVATE ELEMENTARY AND SECONDARY SCHOOLS, AND FORMER ELEMENTARY TEACHERS QUALIFIED TO TEACH SECONDARY SCHOOLS	198	302	214	138	116	125	23	25	59	25	212
2. FROM SCHOOLS FOR THE TRAINABLE RETARDED	---	---	---	---	---	---	1	6	6	4	4
3. FROM SCHOOLS OUTSIDE ONTARIO	---	---	---	---	---	---	81	111	118	99	63
4. FORMER PART-TIME TEACHERS NOW TEACHING FULL-TIME	---	---	---	---	---	---	123	238	185	158	180
5. TEACHERS ON EXCHANGE FROM OTHER JURISDICTIONS	---	---	---	25	31	35	34	36	54	52	86
6. HOLDING LETTERS OF STANDING	335	330	585	428	232	126	40	77	89	60	24
7. WITH LETTERS OF PERMISSION	1,013	710	1,016	689	185	---	---	164	167	102	38
8. HOLDING TEMPORARY SECONDARY SCHOOL CERTIFICATES	---	2,953	1,078	719	536	94	11	21	49	38	32
9. OTHERS	402	237	592	435	415	575	394	422	461	482	151
B. GRADUATES FROM ONTARIO TEACHER EDUCATION PROGRAM	3,351	880	1,377	1,809	1,852	1,744	1,252	1,530	1,425	1,397	1,006
C. QUALIFIED TEACHERS RE-ENTERING WHO WERE NOT EMPLOYED AS TEACHERS IN ONTARIO IN THE PRECEDING YEAR	571	728	757	862	847	654	341	493	537	454	353
TOTAL	5,870	6,140	5,619	5,105	4,214	3,353	2,300	3,123	3,150	2,851	2,149
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* IN THIS YEAR THIS CATEGORY INCLUDED ACQUISITIONS ONLY FROM PRIVATE ELEMENTARY AND SECONDARY SCHOOLS.

SOURCE: ANNUAL REPORTS OF THE MINISTER OF EDUCATION.

with an automatic resignation clause or form attached so that at best only one year is covered. Under the long-standing union rule of "last in - first out", this can in effect eliminate tenure or security of employment, unless enrolment in the system is increasing and promises to continue to do so. In most cases the teacher is "bounced from pillar to post" every year, assuming that any position at all can be found in the next year. Under such conditions for young, experienced teachers, the prospects for new graduates from teacher training institutions will get bleaker year by year as enrolments plunge.

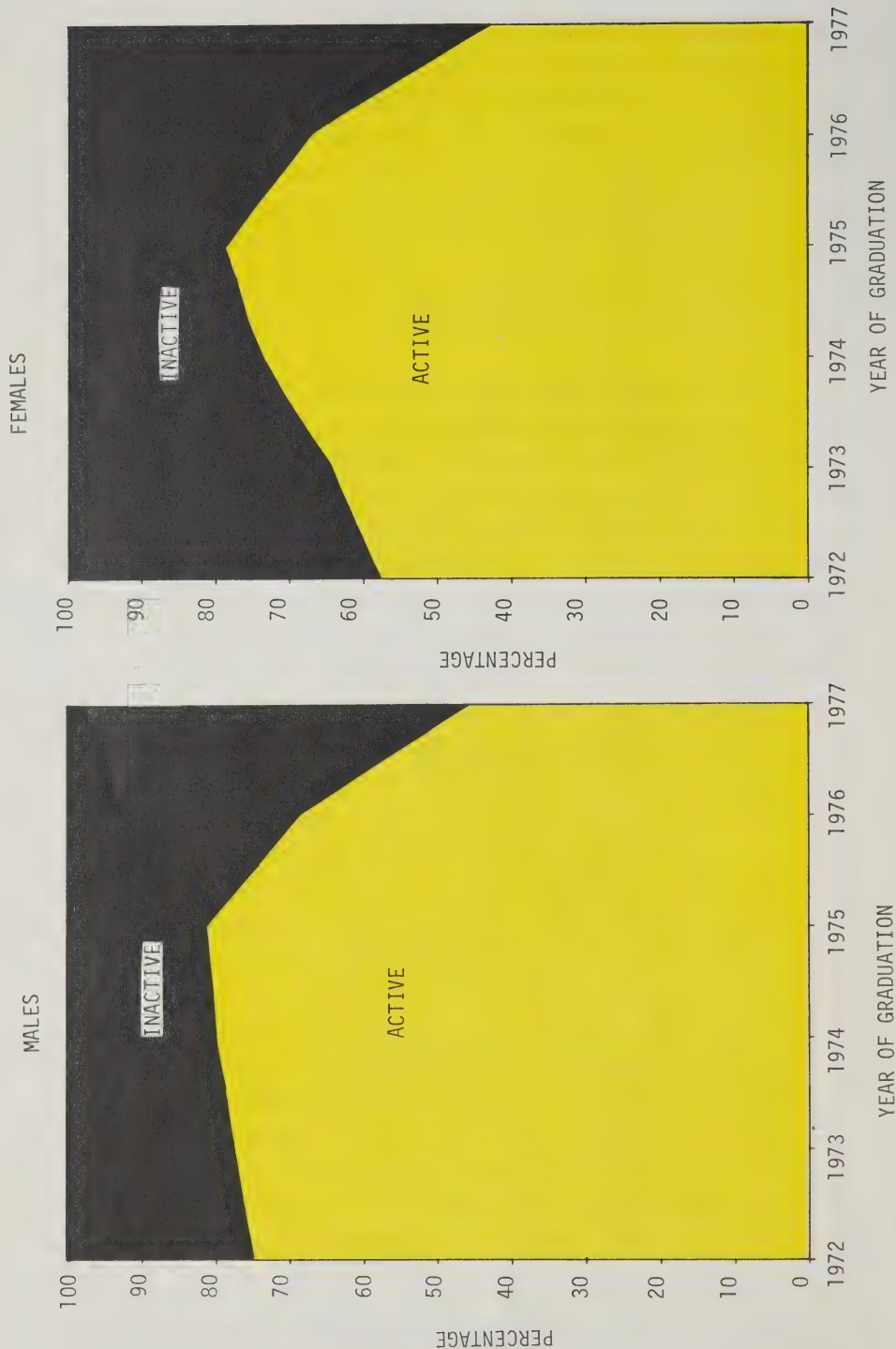
I have spoken to a number of new graduates and to a number of teachers recently declared redundant and find that very many are bitter over the treatment they claim to have received. Many say they had not been made aware of the employment situation, either during their undergraduate courses or when applying for admission to teacher training, and consequently they felt they had been led into wasting their time and money training for a profession in which they would never find a position. Others did seem to have been aware of the conditions, often from reading about the implications of declining enrolments on their own, and were willing to accept the risks of not securing a teaching position¹ (although most were not aware of the recent odds of at best 2 out of 5 that they would get a teaching job). My purpose here is not to say that entrants to teacher training have or have not been properly briefed about market conditions. It is only to demonstrate that the meaning has not always gotten across and even when it does we are not sure how it affects the process of making decisions. This, of course, is one of the reasons why it has never been easy to link education and manpower planning.

The following five charts give the picture of the destination of the teacher graduates for the years 1972 to 1977, inclusive. Chart 5 shows the percentage of "active" and "inactive" male and female elementary school teachers for the province. Chart 6 shows the percentage of "active" and "inactive" secondary school teachers. The number of graduates concerned, identified by their options (i.e., elementary or secondary) are shown in Chart 7. Charts 8 and 9, dealing with 1977 graduates only,

¹The relatively high salaries paid for senior positions, particularly administrative, may have proven to be an irresistible attraction.

CHART 5

ACTIVE AND INACTIVE ELEMENTARY SCHOOL TEACHER GRADUATES OF COLLEGES AND UNIVERSITIES IN ONTARIO, 1972-77



ACTIVE AND INACTIVE SECONDARY SCHOOL TEACHERS GRADUATES OF UNIVERSITIES IN ONTARIO,
1972-1977

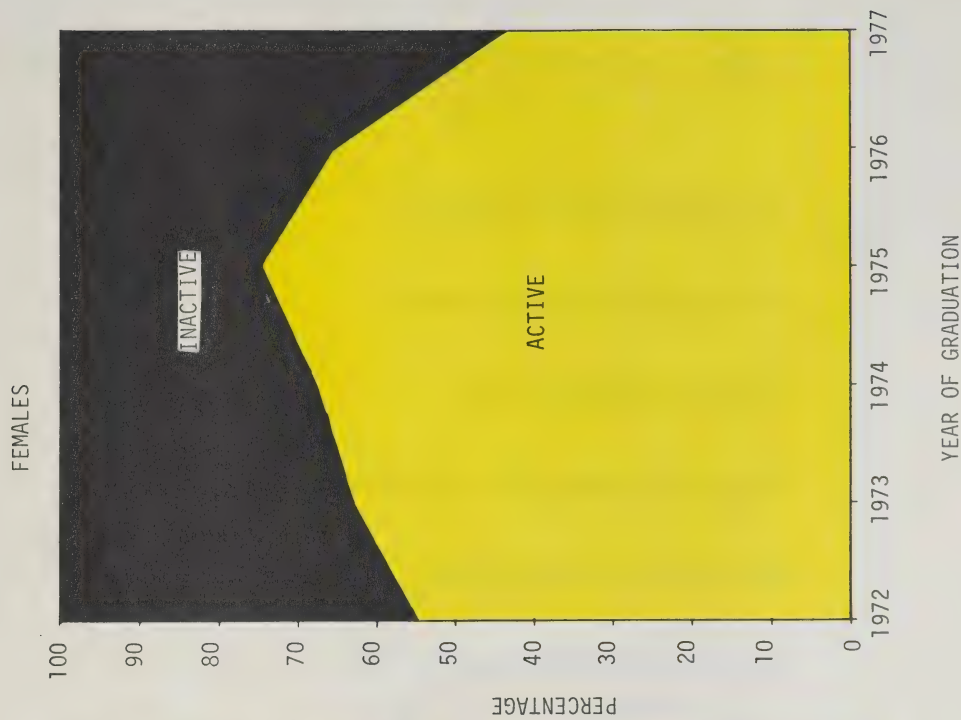
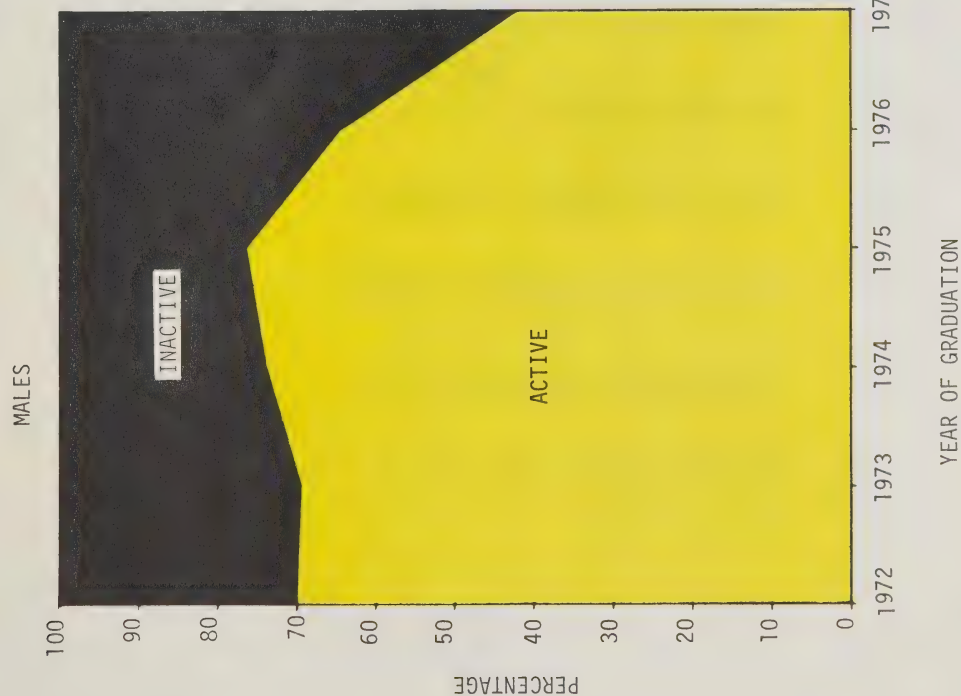


CHART 7

NUMBER OF GRADUATES OF TEACHER COLLEGES & FACULTIES OF EDUCATION
IN ONTARIO WITH ELEMENTARY OR SECONDARY OPTIONS



CHART 8

ACTIVE AND INACTIVE ELEMENTARY SCHOOL TEACHER GRADUATES
OF COLLEGES AND UNIVERSITIES IN ONTARIO, 1977

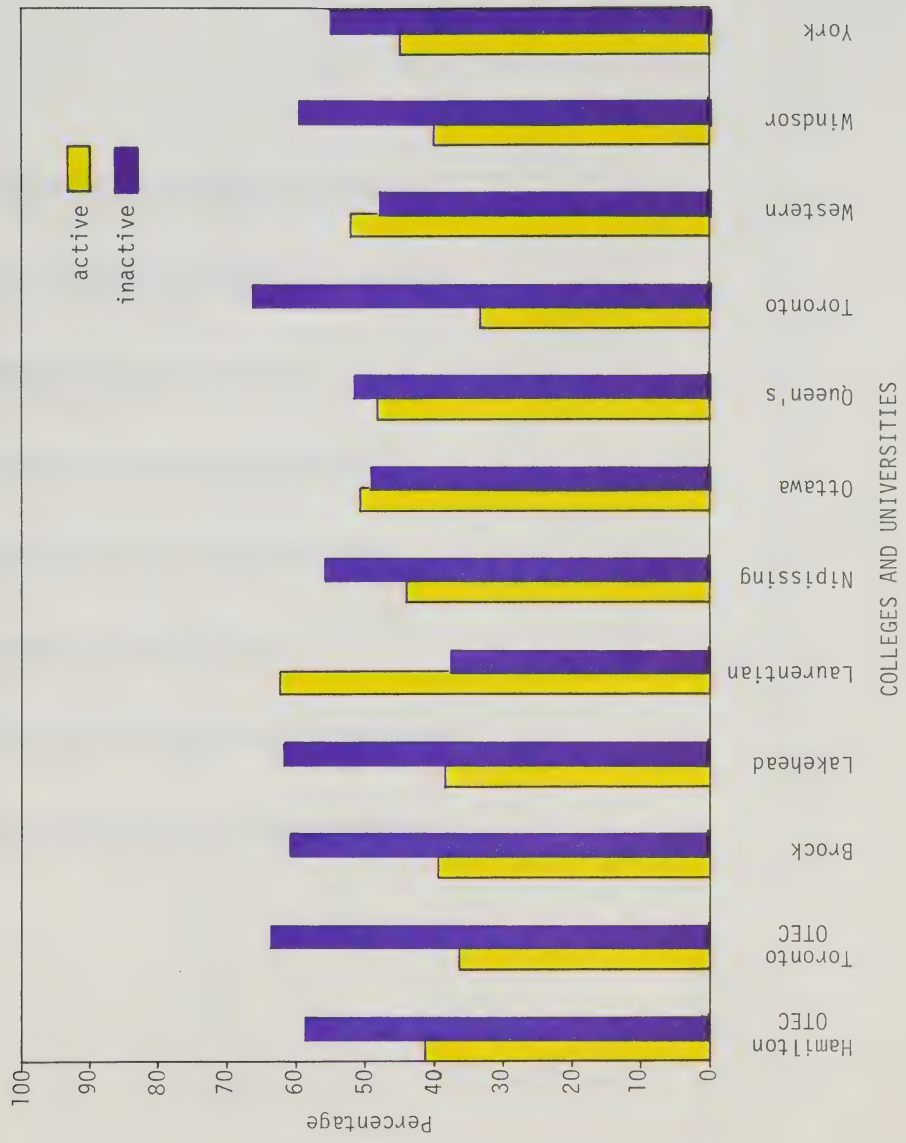
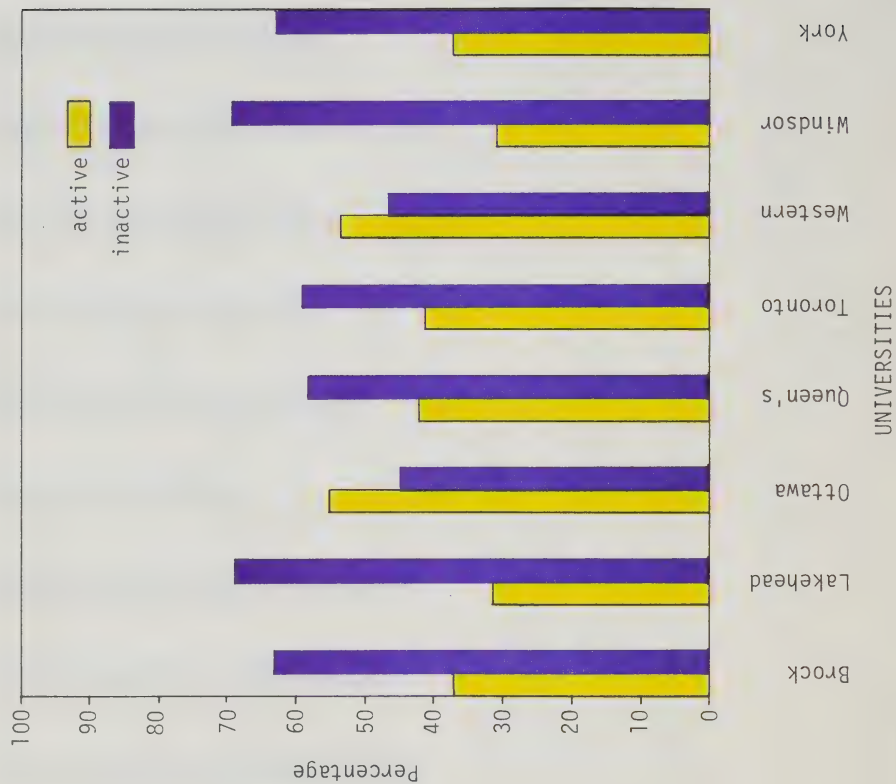


CHART 9

ACTIVE AND INACTIVE SECONDARY SCHOOL TEACHER GRADUATES
OF COLLEGES AND UNIVERSITIES IN ONTARIO, 1977



show the percentage of last year's graduates classified as active and inactive, for all the institutions training teachers in this province. Charts 5 and 6 demonstrate that the employment situation for new teachers, measured in terms of the portion active in the profession, is deteriorating. And it is very poor indeed for the class of 1977.

Two reports will be published as Working Papers by the Commission on studies which we have conducted of unemployed teachers in our province. Despite the difficulties of tracing large numbers of individuals over a period of years without access to some universal sources of personal information, such as the Social Insurance system, we did amass enough data to indicate the extent and seriousness of the problem.¹ We shall also in those reports reproduce enough of the comments of "would-be teachers" to leave no doubts about their bitter attitudes towards their professional associations, their guidance counsellors, their universities and their faculties of education.

At this point we shall present some findings from one of these studies, done by Mr. Michael Sinclair, who was dependent for all of his data on the wholehearted assistance of the Ontario Regional Office of Employment and Immigration Canada (formerly the Federal Department of Manpower and Immigration). I should point out that these figures show only those persons who are receiving unemployment insurance benefits in Ontario and not the whole group of school teachers who have found themselves unable to secure a job in their chosen profession.

Active Claimants Receiving Unemployment Insurance

Date	Active Claims*		
	Male	Female	Total
July 1976	1,304	3,909	5,213
January 1977	878	2,502	3,380
July 1977	1,445	4,108	5,553
January 1978	1,031	2,796	3,827

* includes only those who are "labour force ready", meaning willing and able to work at once as teachers.

¹My Commission was firmly denied access to some of the provincial government information files of addresses (although we had both names and Social Insurance numbers and date of birth for each individual we wished to trace).

Again, the evidence is that the situation is growing worse. It is interesting to note that the population of unemployed teachers receiving Unemployment Insurance Benefits is largely female.¹

We also present a summary of statistics of persons (virtually all of whom we may assume to be trained teachers) registered with Canada Manpower Centres in Ontario as wanting teaching jobs. These figures include only those registered for jobs as kindergarten, elementary or secondary school teachers.² The two sets of figures, in this table and the previous one, will overlap in some cases, but it needs to be remembered that neither of the tables includes the estimated several thousand teachers who had previously held teaching jobs, or new teacher training graduates, who had not registered with Canada Manpower, perhaps because they felt that to take such a step was not in keeping with professional traditions or was something of an admission of failure to find a teaching job on their own.

Registered Canada Manpower Centre Clients Wanting Teaching Jobs
in Ontario in Kindergarten, Elementary or Secondary Schools

Employment Status	Date	Male	Female	Total
Unemployed	January 1977	594	2,161	2,755
Employed		60	121	181
Total		654	2,282	2,936
Unemployed	May 1977	741	2,112	2,853
Employed		48	79	127
Total		789	2,191	2,980
Unemployed	September 1977	996	3,574	4,570
Employed		72	152	224
Total		1,068	3,726	4,794
Unemployed	January 1978	673	2,490	3,163
Employed		64	149	213
Total		737	2,639	3,376

Source: Unpublished data courtesy of the Ontario Regional Offices of Employment and Immigration Canada (and compiled by staff of The Commission on Declining School Enrolments in Ontario).

¹In 1976-77 female teachers constituted about 54 percent of the full-time teachers in public elementary and secondary schools in Ontario. (See First Interim Report, Table 6.2, p. 251.)

²The Final Report will show "university" and "other" teachers as well.

Certainly the situation which these statistics reveal is serious. Any attempts to recruit applicants to teacher-training institutions, by newspaper advertising or otherwise, would be most inappropriate. Public notices and informational advertising of the institution involved should avoid any appearances of being a "promotion" effort. I certainly am not suggesting that students be stopped from beginning teacher training, and I am not going to suggest a termination of operations for all our teacher training institutions. It should, however, be made very clear to all applying and registering students that they do so without any active effort being made to recruit them into the teaching profession and that the risk of not finding the teaching jobs they are preparing for is their own.

It is clear that there are no reliable "market mechanisms" that we can rely upon to bring supply and demand together in a tolerably short period. This is somewhat disquieting to public authorities and taxpayers when they realize that the excess supply refers to a very expensive product. Intervention, via policy, on size of enrolment is necessary in the interest of public economy and perhaps in the interest of fairness to applicants. We know from past experience that not all who are admitted to teacher training institutions graduate and seek teaching positions, so some form of "cushion" between requirements and enrolments should be provided (some incomplete data I have would indicate a maximum of 25 percent extra in admissions should be planned for, above the number of successful graduates who will actively seek positions). Presumably we can afford, also, to enroll a limited number in excess of that and let graduates take their chances on finding a position either in classrooms or in related fields (thus increasing the "cushion" to, say, 30 percent). But we should not permit the conditions to continue which produced the "oversupply" shown for 1977, where only 43.5 percent of those graduating secured teaching positions.

The severity of the "oversupply" situation is such that almost no one argues against the necessity of cutbacks in the provision of pre-service education. More specific information will be available in my Final Report, but on the basis of data available now I recommend that every effort be made to reduce immediately, i.e., in September, 1978,

the number of students admitted to the pre-service programs of the faculties of education to a level 30 percent below the number of admissions of September, 1977. Consideration should also be given to a cut of another 20 percent in the enrolment for September, 1979 (for a total of 50 percent below 1977).

I further recommend that the government through the Council of Ontario Universities plan for the apportionment of the remaining enrolment across specializations and among teacher training institutions. I have the needed basic information and will be publishing it as one of our series of Statistical Appendices.

There are no jurisdictional difficulties about the Minister imposing controls on the OTECs in Toronto and Hamilton, and indeed in light of the conditions described above and of the introduction of a common Ontario Teaching Certificate,¹ I recommend that the Minister of Education further reduce enrolment in or close both of the colleges as of June, 1979.

Because the faculties of education lie within the university system, and given the traditions of university autonomy, it is a sensitive exercise for any Minister to impose quotas on these faculties. However, it certainly is not in the best interests of the universities to let admissions in the faculties drift, with all the uncertainties for planning and the financing of programs which such a laissez-faire policy would entail. It should be possible for the government and the universities concerned, through the Council of Ontario Universities, to agree to accept a ten-year forecast of the number of teacher training enrollees that would approximate "demand" (the number required to meet employment opportunities). I recommend that they do so. Support for a system of teacher training of the scale this would indicate should be guaranteed for a period of three to seven years. The scale of the system required should be reviewed periodically.² Agreement on some such approach will be easier to secure if the scale of the system is not determined entirely by manpower requirement projections, but is reasonably generous in the "cushion" or extra admissions allowed. Such agreement from the universities' point

¹Ontario Regulation 1977-78:42, introduced July 1, 1978.

²Every year for the first five years.

of view should be easier still if the government takes the opportunity provided by the current requirement of fewer candidates in pre-service education (and I recommend that it does do so) to turn part of the excess teaching strength of the faculties of education to the provision of in-service education for a static and aging teaching force which the decline in school enrolments will produce. Because we are committed to safeguarding and improving the quality of the education of Ontario's children (even though they be fewer in number in the future) the present crisis in enrolments provides the opportunity to redeploy part of a faculty's efforts into programs to update and, if necessary, retrain working teachers and to provide a better induction for the smaller but critically important group of young teacher graduates entering their professional careers. A similar case can be made for a wider role for the faculties in education research, which might well be directed in large part toward the many problems associated with declining school enrolments.

Depending upon the scale of the agreed "guaranteed system", and upon the proportion of faculty complement which the government will guarantee to support for in-service education, induction and research, decisions can then be taken on whether any faculties must be closed, or whether they can all continue to function efficiently on smaller enrolments and reduced overall resources.

A guaranteed minimum level of support for the university faculties, even at a reduced level compared to the current scales, would provide some level of certainty and a basis for planning. The implementation of the suggestion for diversification in the roles of faculties of education would provide some flexibility in pre-service education in the event that unpredictable events make some of the basic assumptions underlying the current crises incorrect. This is an important advantage. A sudden demand for more teachers than would be provided by the guaranteed minimum system could be handled in the faculties by temporarily diverting teaching strength from in-service to pre-service needs.¹ Diversification

¹We always have advance warning of any impending increases, of at least six years for elementary schools and fifteen for secondary schools (the time periods from birth to Grade 1 enrolment and to Grade 9 enrolment, respectively).

would also limit the number of faculty members of teacher-training institutions who would need to be declared redundant. Such redundancies would create serious career dilemmas for highly specialized people and, if the practice of Britain and other western European countries is followed in Ontario, some policy of compensation by the government would be required for those who lose positions as a result of government action and are unable to find equivalent employment.

The universities are concerned about the future of the faculties of education. The joint brief from the faculties of education, submitted to my Commission by the Council of Ontario Universities, makes it clear that the deans of education and at least some of their staff are fully aware of the problem and of its consequences. In fact, they envisaged a substantial reduction in the numbers entering the pre-service training program, although not, I think, sufficient in light of data which have recently been released and reported here. Their main proposals concerned a major shift in function, primarily to extensive programs of in-service education of teachers, to graduate studies and to research and development. I have reserved further comments on these proposals until my Final Report in which I will be considering the full range of in-service activities, including professional development days, short courses and the like, in a general discussion of the problem of staff development and retraining. The computer models we have had developed will also be ready by then and I will be able to provide for the province as a whole as well as for each institution, and could provide for each school board, a wealth of information regarding teacher supply and demand, including the different numbers of students required in various types of programs (subject to certain assumptions) to maintain these teacher training facilities.

RECOMMENDATIONS

- 1) *Make every effort to cut total enrolments in pre-service teacher training in the province in September, 1978, to a level 30 percent below the total enrolments in September, 1977. Give consideration to a cut of another 20 percent in September, 1979, for a total cut of 50 percent from the September, 1977, level.*
- 2) *Close or reduce enrolment in the Ontario Teacher Education Colleges in June, 1979.*
- 3) *Agree with those universities with education faculties, through the Council of Ontario Universities, to accept a ten-year forecast of the number of teacher training enrollees that would approximate "demand" (the number required to meet employment opportunities). Guarantee support for a teacher training system of this scale for a period of three to seven years. Apportion the enrolment associated with this scale of operations across specializations and among teacher training institutions in accord with the Council of Ontario Universities.*
- 4) *Make the guaranteed scale of operations of the teacher training institutions generous enough to allow for a part of the faculty's efforts to be redeployed to in-service training and research.*

6. Personnel

In curriculum planning our main concern is for ends, the experiences of education. In financial planning we focus upon the means to those ends. But in the labour intensive business that is education, we don't talk about curriculum very long without moving to a discussion of teachers, nor do we speak about finance without discussing teachers' salaries. What teachers are and what they do largely determine what the experiences of schooling will be for our children, and paying teachers' salaries is, in large measure, what education finance is about.

While my interest is in all professional and non-professional personnel, as well as teachers, the recommendations I offer for immediate action pertain to teachers only. Other board employees receive very little attention in this report but will be given adequate consideration in the Final Report.

No doubt some school personnel will lose their jobs; indeed, some already have. But this has not happened in large numbers and though the next ten years will see many teaching jobs at risk, careful planning will minimize the losses.

Most of the necessary personnel adjustments to date have been made smoothly through transfers or attrition. For some boards, however, the new phase of adjustments will be more challenging. Further staff reduction for elementary schools will be necessary and large reductions will be required in the secondary schools. The minimization of personal hardships and the maintenance of high personnel morale under these conditions will require a sustained planning effort. Of course, there will continue to be some boards with growing or stable enrolments. For them reductions will not be necessary and normal attrition may even allow the employment of some younger teachers. Most of the Roman Catholic separate school boards are in this happy position and probably will be for some time.

In schools where the staff is not increasing, the much reduced mobility of employed teachers (discussed in the previous section on teacher training) may well pose some serious problems. The average age of the teaching force will increase, as will total years of experience, and there will be a marked increase in average salaries if the present form of salary grids remains in effect. In addition to the obvious financial consequence of an aging teaching staff, there is the less certain quality-of-teaching effect. It was mentioned repeatedly in briefs and hearings that the consequence of a static, aging teaching staff will be apathy and a decrease in morale. One need not accept these assertions about aging teachers, of course, but it is hard to argue with another observation made just as often that something will be lost if there is a near absence of young teachers in a school.

It should be emphasized that salaries on average account for almost 70 percent of total operating expenditures of a board. A simulation of teachers' salaries in the secondary schools of this province for every year to 1987 has been made using an adaptation by Mr. Wayne Burtnyk of a computerized model of teachers' salary costs developed by Dr. George Tracz.¹ Table 15 presents the projected figures on which the model is based. The projected enrolment of secondary school students in 1987 is 511,484 and the projected number of teachers is 28,853. In Table 16 are presented three sets of projections for 1977 to 1987 of the numbers of teachers leaving (ceasing to teach in the secondary schools of Ontario) and of the numbers of teachers hired (teachers who were not in the previous year teaching in the secondary schools of Ontario). Each set of projections is based on a pattern of leaving rates, shown in Table 16.

In Tables 17, 19 and 21 we see the corresponding three sets of projections of average salaries of secondary teachers (also principals, vice-principals and totals), assuming no inflation.² The three projected

¹Mr. Wayne Burtnyk, of the Ministry of Education, was formerly with the Department of Educational Planning at the Ontario Institute for Studies in Education (OISE). Dr. George Tracz is a professor in the Department of Educational Planning at OISE.

²Observe the decrease in the total wage bill in each of these sets of projections, despite increases in average salaries. This results from fixing the pupil-teacher ratio at a constant 16.95.

average salaries for teachers in 1987 are \$25,916, \$26,287 and \$25,399 or \$2,315, \$2,686 and \$1,798 more than in 1977. The average of these three differences, \$2,266, is about 9.6 percent greater than the 1977 average salary figure. These tables assume the continuation of the existing salary grids and include the results of the fact that the aging teachers will on average qualify for more pay for experience and for assignment to higher categories (1-4) associated with more postsecondary education credits.

Inflation, perhaps, is not properly a personnel matter, but it is interesting to speculate on its effect on teachers' salaries. In Tables 18, 20 and 22 we see the effects of an 8 percent annual increase in teachers' salaries to the year 1987 applied to the same three sets of projections as in Tables 17, 19 and 21. The projected salary levels of \$55,951, \$56,751 and \$54,834 are, respectively, \$32,350, \$33,150 and \$31,233 above the average 1977 salary. These seemingly astronomical salaries, though mainly the products of inflation, also contain the 9.6 percent increase in real terms associated with the more experienced, higher category teacher force that has been projected.¹

Strictly speaking, we can call that 8 percent annual increase an inflation adjustment, and not a change in teachers' real salaries, only if the general price levels in the economy and teachers' salaries go up together. In this case the \$55,845 salary in 1987 (average of the projected salaries in Tables 18, 20 and 22) corresponds to the \$25,867 salary in 1987 (average of projections in Tables 17, 19 and 21) in constant value (1977) dollars. The \$55,845 salary would be more difficult for a board to pay than the \$25,867 salary only if the revenues from the provincial per pupil grant and local taxes did not also go up 8 percent a year. There exists no assurance that the growth rate of either of these will approximate inflation. Even if the sum of the two should

¹The salaries shown for principals and vice-principals in Tables 18, 20 and 22 on the other hand, reflect only the inflation factor of 8 percent: it is difficult to envisage the possibility by 1987 of the salaries of vice-principals reaching \$70,000 and of principals reaching \$80,000! (If one uses an inflation rate of 10 percent, however, which is not an unreasonable level to assume these days, the salaries of principals would be nearly \$100,000 by 1987.) Observe, also, that the total wage bill nearly doubles as a result primarily of inflation.

keep up, the relationship between the two sources of revenue may have to change under inflationary conditions. Recalling that salaries are the major part of operating expenditures, we see that the revenue problems associated with inflation will be manifested primarily in the form of personnel problems. Table 23 shows the basic changes in average salary schedules through the years with 8 percent inflation.

The 17 percent decrease¹ in projected number of secondary school teachers in the 1977 to 1987 period (see Table 15) will, of course, reduce the scale of the personnel problem appreciably. To look at the problem another way, these projections show very modest increases in constant-value dollar expenditures per student. Table 24 shows per student expenditure increasing by \$134, \$155 and \$105 in accord with the three sets of projections under the assumption of no inflation. Under the assumption of 8 percent inflation, however, per student expenditures are seen to increase by more than 130 percent for each projection.

Another personnel problem is related to curriculum and involves the specialization-mix of teachers. The problem will be least severe in the elementary schools. Some teachers, such as kindergarten, music and art teachers, are specialists, but most are "generalists" and can be readily moved from class to class or grade to grade. However, in senior public and junior high schools with "rotary systems", for which specialist teachers have been employed, the problem will be more severe. At the senior high school level serious mismatches of specializations are common, declining enrolments or not.² When high school teachers were scarce there were (surprisingly) often surpluses of certain specialists. And even when teachers are in surplus, there may be shortages of certain specialists. Contract studies for this Commission and for the Ministry of Education on the projected demands for teachers by subject specialization in Ontario reveal substantial imbalances which will get worse unless corrective action is taken, by boards and within schools.

¹That occurred only because we held the pupil-teacher ratio constant at 16.95.

²As my study of the situation in Nova Scotia revealed. See "Who Teaches What in the High Schools of Nova Scotia, 1977". A similar analysis for Ontario has been completed for the Commission, for selected boards as well as for the province as a whole, and the figures will be published in one of our series of Statistical Appendices.

TABLE 15

BASIC PARAMETERS FOR COMPUTER WAGE MODEL
FOR SECONDARY SCHOOL TEACHER SALARY COSTS

YEAR	NUMBER OF STUDENTS	NUMBER OF TEACHERS	NUMBER OF VICE- PRINCIPALS	NUMBER OF PRINCIPALS	TOTAL ⁽¹⁾ STAFF
1977 ⁽²⁾	613,830	34,835	793	587	36,215
1978	613,025	34,787	793	587	36,167
1979	610,438	34,636	792	586	36,014
1980	601,339	34,105	788	584	35,477
1981	585,035	33,151	784	580	34,515
1982	561,091	31,748	780	575	33,103
1983	538,528	30,426	775	570	31,771
1984	524,316	29,596	770	567	30,933
1985	518,480	29,257	767	565	30,589
1986	513,370	28,959	765	563	30,287
1987	511,484	28,853	763	560	30,176

(1) Using a constant student/teacher ratio of 16.95.

(2) Actual

Source: Projections derived from Teacher Cost Model,
developed by G.S. Tracz and W.A. Burtnyk.

TABLE 16
COMPUTER WAGE MODEL
FOR SECONDARY SCHOOLS OF NUMBER OF TEACHERS LEAVING⁽¹⁾ & BEING HIRED

YEAR	PROJECTION 1		PROJECTION 2		PROJECTION 3	
	Number Leaving	Number Hired	Number Leaving	Number Hired	Number Leaving	Number Hired
1977 ⁽²⁾	2,322	2,679	2,322	2,679	2,322	2,679
1978	2,195	2,146	2,090	2,042	2,299	2,251
1979	2,087	1,937	1,913	1,763	2,296	2,145
1980	1,974	1,443	1,732	1,201	2,286	1,755
1981	1,842	888	1,535	581	2,251	1,297
1982	1,691	287	1,326	-77 ⁽³⁾	2,188	784
1983	1,587	266	1,270	-50 ⁽³⁾	2,095	774
1984	1,521	691	1,217	387	2,008	1,178
1985	1,480	1,141	1,184	845	1,953	1,614
1986	1,463	1,165	1,170	873	1,931	1,634
1987	1,448	1,342	1,158	1,052	1,911	1,805

(1)

Leaving Rate Percentage Assumptions	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Projection 1	6.30	6.00	5.70	5.40	5.10	5.00	5.00	5.00	5.00	5.00
Projection 2	6.00	5.50	5.00	4.50	4.00	4.00	4.00	4.00	4.00	4.00
Projection 3	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60

(2) Actual

(3) Surplus or redundant teachers.

Source: Projections derived from Teacher Cost Model,
developed by G.S. Tracz and W.A. Burtnyk.

TABLE 17

COMPUTER WAGE MODEL FOR SECONDARY SCHOOL
 AVERAGE SALARIES & WAGE BILL (ZERO INFLATION)⁽¹⁾ USING LEAVING RATE PROJECTION 1

YEAR	AVERAGE SALARY OF				TOTAL WAGE BILL (thousands)
	Teachers	Vice Principals	Principals	All Secondary	
1977	\$23,601	\$32,035	\$36,574	\$23,995	\$869,012
1978	23,929	32,035	36,574	24,312	879,293
1979	24,220	32,035	36,574	24,593	885,699
1980	24,545	32,035	36,574	24,909	883,717
1981	24,926	32,035	36,574	25,283	872,656
1982	25,382	32,035	36,574	25,733	851,850
1983	25,771	32,035	36,574	26,117	829,784
1984	25,970	32,035	36,574	26,314	814,002
1985	25,990	32,035	36,574	26,336	805,615
1986	25,986	32,035	36,574	26,335	797,629
1987	25,916	32,035	36,574	26,268	792,689

TABLE 18

AVERAGE SALARIES & WAGE BILL (+8% INFLATION)⁽²⁾ USING LEAVING RATE PROJECTION 1

1978	\$25,844	\$34,598	\$39,499	\$26,257	\$949,637
1979	28,251	37,366	42,659	28,685	1,033,079
1980	30,920	40,355	46,072	31,378	1,113,228
1981	33,912	43,583	49,758	34,397	1,187,238
1982	37,295	47,070	53,738	37,810	1,251,646
1983	40,895	50,836	58,037	41,444	1,316,760
1984	44,507	54,902	62,680	45,099	1,395,053
1985	48,106	59,295	67,695	48,747	1,491,135
1986	51,946	64,038	73,110	52,644	1,594,461
1987	55,951	69,161	78,959	56,712	1,711,352

(1) No change in 1977 salary grid.

(2) Salary grid adjusted by inflation factor.

Source: Projections derived from Teacher Cost Model,
 developed by G.S. Tracz and W.A. Burtnyk.

TABLE 19

COMPUTER WAGE MODEL FOR SECONDARY SCHOOL
 AVERAGE SALARIES & WAGE BILL (ZERO INFLATION)⁽¹⁾ USING LEAVING RATE PROJECTION 2

YEAR	AVERAGE SALARY OF				TOTAL WAGE BILL (thousands)
	Teachers	Vice Principals	Principals	All Secondary	
1977	\$23,601	\$32,035	\$36,574	\$23,995	\$869,012
1978	23,945	32,035	36,574	24,328	879,847
1979	24,262	32,035	36,574	24,633	887,138
1980	24,622	32,035	36,574	24,984	886,354
1981	25,051	32,035	36,574	25,403	876,802
1982	25,569	32,035	36,574	25,913	857,776
1983	26,009	32,035	36,574	26,346	837,040
1984	26,255	32,035	36,574	26,588	822,459
1985	26,312	32,035	36,574	26,645	815,044
1986	26,337	32,035	36,574	26,671	807,789
1987	26,287	32,035	36,574	26,623	803,369

TABLE 20

AVERAGE SALARIES & WAGE BILL (+8% INFLATION)⁽²⁾ USING LEAVING RATE PROJECTION 2

1978	\$25,861	\$34,598	\$39,499	\$26,274	\$950,234
1979	28,299	37,366	42,659	28,732	1,034,757
1980	31,017	40,355	46,072	31,472	1,116,550
1981	34,082	43,583	49,758	34,561	1,192,877
1982	37,569	47,070	53,738	38,074	1,260,353
1983	41,273	50,836	58,037	41,807	1,328,274
1984	44,997	54,902	62,680	45,568	1,409,546
1985	48,702	59,295	67,695	49,318	1,508,585
1986	52,647	64,038	73,110	53,315	1,614,770
1987	56,751	69,161	78,959	57,477	1,734,409

(1) No change in 1977 salary grid.

(2) Salary grid adjusted by inflation factor.

Source: Projections derived from Teacher Cost Model,
 developed by G.S. Tracz and W.A. Burtnyk.

TABLE 21

COMPUTER WAGE MODEL FOR SECONDARY SCHOOL

AVERAGE SALARIES & WAGE BILL (ZERO INFLATION)⁽¹⁾ USING LEAVING RATE PROJECTION 3

YEAR	AVERAGE SALARY OF				TOTAL WAGE BILL (thousands)
	Teachers	Vice Principals	Principals	All Secondary	
1977	\$23,601	\$32,305	\$36,574	\$23,995	\$869,012
1978	23,913	32,305	36,574	24,297	878,740
1979	24,173	32,305	36,574	24,548	884,076
1980	24,453	32,305	36,574	24,820	880,560
1981	24,772	32,305	36,574	25,135	867,536
1982	25,147	32,305	36,574	25,508	844,367
1983	25,451	32,305	36,574	25,811	820,050
1984	25,578	32,305	36,574	25,940	802,415
1985	25,544	32,305	36,574	25,911	792,575
1986	25,498	32,305	36,574	25,869	783,491
1987	25,399	32,305	36,574	25,774	777,752

TABLE 22

AVERAGE SALARIES & WAGE BILL (+8% INFLATION)⁽²⁾ USING LEAVING RATE PROJECTION 3

1978	\$25,827	\$34,598	\$39,499	\$26,241	\$949,039
1979	28,196	37,366	42,659	28,633	1,031,186
1980	30,803	40,355	46,072	31,267	1,109,251
1981	33,701	43,583	49,758	34,196	1,180,270
1982	36,949	47,070	53,738	37,479	1,240,650
1983	40,387	50,836	58,037	40,959	1,301,313
1984	43,836	54,902	62,680	44,457	1,375,195
1985	47,280	59,295	67,695	47,959	1,466,997
1986	50,970	64,038	73,110	51,712	1,566,199
1987	54,834	69,161	78,959	55,644	1,679,104

⁽¹⁾No change in 1977 salary grid.⁽²⁾Salary grid adjusted by inflation factor.Source: Projections derived from Teacher cost Model,
developed by G.S. Tracz and W.A. Burtynyk.

TABLE 23

COMPUTER WAGE MODEL

BASIC CHANGES IN AVERAGE SECONDARY SCHOOL SALARY SCHEDULES WITH 8% INFLATION

YEAR	MINIMUM SALARIES				MAXIMUM SALARIES			
	Category 1	Category 2	Category 3	Category 4	Category 1	Category 2	Category 3	Category 4
	\$	\$	\$	\$	\$	\$	\$	\$
1977	12,558	13,129	14,340	15,058	21,312	22,353	25,070	26,696
1978	13,563	14,179	15,487	16,263	23,017	24,141	27,076	28,832
1979	14,648	15,314	16,726	17,564	24,858	26,073	29,242	31,138
1980	15,819	16,539	18,064	18,969	26,847	28,158	31,581	33,629
1981	17,085	17,862	19,509	20,486	28,995	30,411	34,107	36,320
1982	18,452	19,291	21,070	22,125	31,314	32,844	36,836	39,225
1983	19,928	20,834	22,756	23,895	33,819	35,471	39,783	42,363
1984	21,522	22,501	24,576	25,807	36,525	38,309	42,965	45,752
1985	23,244	24,301	26,542	27,871	39,447	41,374	46,403	49,412
1986	25,301	26,245	28,666	30,101	42,603	44,684	50,115	53,365
1987	27,112	28,344	30,959	32,509	46,011	48,258	54,124	57,634

Source: Projections derived from Teacher Cost Model,
developed by G.S. Tracz and W.A. Burtnyk.

TABLE 24
COMPUTER WAGE MODEL
FOR WAGE BILL PER SECONDARY SCHOOL STUDENT

YEAR	ZERO INFLATION			PLUS 8% INFLATION		
	Projection 1	Projection 2	Projection 3	Projection 1	Projection 2	Projection 3
1977 (Actual)	\$1,416					
1978	\$1,434	\$1,435	\$1,433	\$1,549	\$1,550	\$1,548
1979	1,451	1,453	1,448	1,692	1,695	1,689
1980	1,470	1,474	1,464	1,851	1,857	1,845
1981	1,492	1,499	1,483	2,029	2,039	2,017
1982	1,518	1,529	1,505	2,231	2,246	2,211
1983	1,541	1,554	1,523	2,445	2,466	2,416
1984	1,553	1,569	1,530	2,661	2,688	2,623
1985	1,554	1,572	1,529	2,876	2,910	2,829
1986	1,554	1,574	1,526	3,106	3,145	3,051
1987	1,550	1,571	1,521	3,346	3,391	3,283

Note: For assumptions, see footnotes to preceding Tables 17 to 22, inclusive.

Source: Projections derived from Teacher Cost Model,
developed by G.S. Tracz and W.A. Burtynk.

The application of the "seniority principle" to determine job security will aggravate the situation, unless tempered by reference to specializations. To ameliorate the imbalances, reclassification and redeployment of teachers already on staff will have to be facilitated.¹ In addition, opportunities for upgrading, updating and retraining should be provided. These things can be done with good effect only if they are planned. A large part of that planning will be the systematic and uniform collection of data at school, board and provincial levels.

To deal gracefully with all these personnel problems we see coming we must do the best job we can at forecasting; we must estimate when the problems will come and how bad they will be -- and then we must propose something to do about them. I recommend that the Minister of Education request each school board to prepare (according to a prescribed format) and submit to his Ministry a five-year staffing plan for elementary and secondary schools. The plan should indicate anticipated patterns of losses, replacements and retrainings.² As indicated earlier, in my Final Report I will provide from our computer models the figures for the province as a whole which are necessary for the preparation of a provincial staffing plan that will estimate the demand and supply of teachers, including supply and demand by subjects for the secondary schools and a complete analysis of acquisitions and withdrawals for elementary and secondary schools.

I must emphasize the importance of doing this immediately. The plans should be available early enough to be of assistance to personnel planning in 1979. Moreover, it is a precondition for my next recommendation, that the Minister of Education request each board to prepare (according to a prescribed format) forecasts of its total salary bill, disaggregated by staff categories, for the years through 1982. The forecasts should be accompanied by statements of intended sources of revenue, assuming the 1978 level of provincial grant support adjusted

¹We simply cannot ignore the specialized academic and professional qualifications of teachers when their assignments to positions are made -- seniority cannot serve alone, unaided and unqualified.

²These can begin with the estimates of enrolment prepared, by boards, for my Commission to the year 2001. They are available now in Xerox format for each board.

for inflation. At the same time, the boards should prepare forecasts of total operating expenditures for the years through 1982.

Again it should be emphasized that the utility of the documents produced is a function of how soon they are submitted. The financial forecasts must wait, of course, upon at least partial completion of the staffing plan. The financial forecasts should also be prepared soon enough to be of use in personnel and financial planning in 1979.

In the case of the staffing plan and the financial forecasts, the Ministry should explain that the requests for the five-year plan will be followed almost immediately by a request for a ten-year plan (using a different prescribed format) and that the plans and forecasts will have to be reviewed every year and revised where necessary.

Over the next eight to ten years of quite rapid decline in secondary school enrolments, the best hope for teacher employment security is systematic retraining and relocation abetted by appropriate plans and forecasts. But some other suggested very useful short-term or emergency tactics deserve mention here. They include early retirement incentives (with a change in the superannuation regulations to permit employment of retired teachers up to 100 teaching days in a year), leaves of absence, work sharing, part-time employment, permanent supply teaching, transfers and exchanges, and sharing of information about employment opportunities, in teaching and in related occupations.

These are all legitimate propositions. Their appropriateness is a matter of local conditions. However, I do want to sound a warning note about one popular proposal, early retirement. Most of the proposals for it usually involve reducing one public budget at the expense of another. In any case, the costs will be high, especially for the most attractive proposals, which are never actuarially sound. If they are resorted to, the inevitable result is large increases in contributions by those paying into the plan or the support of large numbers of employable retired persons at the taxpayers' expense. This is hardly a politically

feasible tactic for teachers at this time. Besides, demography is against us. The ratio of retirement-age people to prime labour force people is increasing and promises to be the next big demographic problem. As teachers move to reduce the pressures on them from one demographic-based problem, they ought not to hurry society into the next one.

I have commissioned a number of studies of the Teachers' Superannuation Fund with special reference to the total cost of these and other benefits and the rates of contribution required to maintain them in these days of rapid inflation. I am also following with interest the deliberations of the Royal Commission on Pensions and sincerely hope its findings will be released in time to be used in relation to pensions in education. Our own Working Papers on these topics will be released shortly. If changes have to be made to ensure actuarial soundness of that Fund, the sooner they are introduced the better.

There will be, as I have indicated here, many problems associated with declining enrolments that should be recognized as personnel problems. I have several recommendations for immediate action that should ease some of the pain that will be unavoidable in some circumstances.

I recommend that the Ministry of Education prepare and distribute to school boards and to local and provincial employee associations a brochure outlining all the alternatives to dismissal. This assignment may be undertaken by the Ministry itself or given to the Education Relations Commission. The publication should deal with the protection of fringe benefits of employees whose employment may be jeopardized and the mechanisms for facilitating re-employment in other schools or other boards. Finally, the publication should give objective information on the present and projected conditions of the Teachers' Superannuation Fund as background information for retirement-related tactics of responding to the need for staff reduction.

I have said that to date a relatively small number of teachers has been released and I have maintained that the number will likely continue

to be low. Nevertheless some teachers will have to be dismissed. The personal difficulties can be minimized if we have appropriate, well-planned policies. These policies will serve best if they and all related procedures are clearly specified by each board and are understood by all staff. I recommend that the Ministry encourage each board in the province which has not already done so to prepare, publish and distribute to its staff and file with the Minister of Education or with the Education Relations Commission a statement of the policies and procedures of the board pertaining to redundant staff. The professional associations of teachers, i.e., The Ontario Teachers' Federation, its affiliates and their members can play a major role in assisting each other and the others with this problem over the next very difficult ten years. I have every reason to believe that they will do so.

In accord with the ideas on the new politics of education discussed in the section entitled Administration, I suggest that boards and teachers' associations include in collective agreements clauses concerning the criteria for identifying surplus teachers, with special references made to seniority and its qualifiers.

I recommend that the Ministry of Education promote the distribution of analyses of "job security" and "redundancy" clauses in negotiations. In this regard I also recommend that the Ministry seek clarification of the legal precedence of individual contracts and related clauses in collective agreements.

I sincerely hope that all parties will cooperate wholeheartedly (and in particular at the local level) in efforts to relieve teachers and other school staff of any unnecessary financial hardship and losses. By giving a little here and there, exercising our imagination and ingenuity and showing understanding and even some faint traces of love of our fellow man, we can save a lot of grief for a lot of worthy people.

RECOMMENDATIONS

- 1) Request each school board to prepare (according to a prescribed format) and submit to the Ministry a five-year staffing plan for elementary and secondary schools. The plan should indicate anticipated patterns of losses, replacements and retrainings and should be available early enough to be of assistance to personnel planning in 1979.
- 2) Request each board to prepare (according to a prescribed format) forecasts of its total salary bill, disaggregated by staff categories, for the years through 1982. The forecasts should be available for use in 1979 and be accompanied by statements of intended sources of revenue assuming the 1978 level of provincial grant support adjusted for inflation. They should also include projections of total operating expenditures.
- 3) Prepare and distribute to school boards and to local and provincial employee associations a brochure outlining all the alternatives to dismissal. This assignment may be undertaken by the Ministry itself or given to the Education Relations Commission. The publication should also deal with the protection of fringe benefits of employees whose employment may be jeopardized and the mechanisms for facilitating re-employment in other schools or other boards. In addition, the publication should give objective information on the present and projected conditions of the Teachers' Superannuation Fund as background information for retirement related tactics of responding to the need for staff reduction.

- 4) Encourage each board in the province which has not already done so to prepare, publish, distribute to its staff and file with the Ministry or with the Education Relations Commission a statement of the policies and procedures of the board pertaining to redundant staff.
- 5) Promote the distribution of analyses of "job security" and "redundancy" clauses in negotiations and seek clarification of legal precedence of individual contracts and related clauses in collective agreements.

7. School Facilities

As has been pointed out, not all school boards face declining enrolment. In fact several will experience increases at a rate of 5 to 15 percent per year for some time. Other boards will probably continue to have a very stable enrolment for years. Accordingly, there will be great variation across the province, from large numbers of vacant schools and classrooms for some boards to overcrowded facilities and portable classrooms and other temporary facilities for other boards. Thus, the overall provincial picture might be misleading. Under these circumstances each board must study and assess its own situation and needs and determine for itself what the future holds.

This point is most striking in the case of physical facilities, the buildings and sites and their equipment, plus, in many instances, the transportation system and maintenance services needed. These are important public assets and decisions taken about them will affect the welfare and future of a whole community. The closing of neighbourhood schools has proven to be one of the most contentious and controversial issues facing school boards, not only in Ontario but throughout Canada and the United States. Fortunately, on the basis of their own and others' experiences, some boards have developed policies and procedures which seem to work well and which we may use as guides to action.

A considerable body of literature already exists concerning methods of dealing with school buildings which become vacant, or partly vacant, due to enrolment declines. This Commission's Information Bulletin #1 and the Ministry of Education research report entitled "Meeting Problems of Declining Enrolment", Chapter 3, Rideout, et al., both contain a good deal of data which could be useful in setting up policies dealing with surplus space. In the final analysis, of course, the local school board must itself make the hard decisions.

There will be times when economy dictates the closing of a school, in whole or in part, especially in the large centres. It may not even be a single school being considered, but one or more of a "family" of schools. For a number of social and psychological reasons, we must

give some thought to when and how we go about considering closings and what new uses might be made of the land and buildings. Planning for closings must be done well in advance of the day when any final decision is to be made. Many school boards have already begun to make comprehensive forecasts of enrolment, space and costs on a five-year or even a ten-year basis. Moreover, they have developed clear and specific policies and sets of procedures, leading to a decision on closure, which they and their staffs follow step by step. They have made these widely known to the communities involved and they work closely with local residents in preparing realistic plans. Officials who have been through such procedures tell me that often the best recommendations for action come from the local communities.

To do the necessary background demographic and town planning studies, larger boards have employed a planner on a full-time or part-time basis, usually one with a background in geography who is trained in demographic investigations and in presenting the results in an understandable form to the board, its staff and to the public. Such boards believe the costs of these specialized employees to be more than offset by savings realized from orderly approaches to emerging problems. A skilled planner can predict many of the problems that will arise and systematically collect and organize the data on which boards and their administrators can base their long-term decisions with the best hope of avoiding costly errors.

Most small school boards cannot afford the full-time services of a professional planner, but it would be possible and reasonable for several boards to employ jointly such a person. Other alternatives would be to purchase the services from a commercial consulting firm or from a larger school board, or for the Ministry of Education to supply planning assistance to the boards. Another strategy is to have one of the board's supervisory officers with an interest in and some knowledge of the field take a special course in planning (normally of only a few weeks duration). Training of this kind is available in several universities and considerable work has already been done along these lines as part of the regular program of the Department of Educational Planning at the Ontario Institute

for Studies in Education.¹ These efforts could be expanded at OISE without the expenditure of large amounts of money and at very minimal costs to the school boards.

Information and data of the type necessary for facilities planning (as well as for personnel and financial planning) is needed in all boards and by the Ministry of Education. The gathering and processing of this material is already commanding increasing attention and resources in many boards. This development could be left to boards' initiative, but I believe it would be to everyone's advantage if the development of planning capacity at the board level were encouraged in a systematic fashion. I believe the Ministry of Education should take the initiative here. I recommend that the Ministry of Education ask each board to submit to the Ministry this year a five-year facilities plan (with a prescribed format) which includes enrolment projections by grades and anticipated facilities additions and disposals. It should be emphasized that the plan is to be updated annually and the updated annual version submitted as a separate section of the June report of the school board to the Ministry.

The information provided by the updated projections should be shared with parents, teachers and municipal authorities, all of whom should be made aware of the boards' plans as they are developed. In some cases it will be advisable to establish community involvement committees reporting to the board.

Projections should indicate well ahead of time the neighbourhoods and communities where schools and classrooms will likely become surplus. In many cases the sites of schools to be closed will be in "good speculation" areas where the future value of land may be much higher than it now is. It will be surprising if, even under continuing declining enrolments, we do not occasionally face the irony, due to unpredictable shifts of population, of needing to reopen schools where they had been closed five to fifteen years before. Repurchasing land

¹The Commission has used some of the local studies prepared by the students at present enrolled there and will be publishing several of them as examples of planning exercises related to problems of declining enrolments at the board level.

at inflated cost will be a very unpopular undertaking. I suggest, therefore, that boards make every effort to lease on a long-term basis (with appropriate recovery clauses) the buildings and sites it declares redundant. I also recommend that the Ministry of Education ask each board to prepare for public distribution as well as for submission to the Ministry a statement of its policies and procedures regarding transportation, possible or anticipated school and classroom closings and the use of space no longer needed for instructional purposes.

To encourage boards to undertake this task immediately, I recommend that a small section of the Ministry of Education be assigned the task of assisting board personnel in the preparation of these projections and plans. The assistance could be provided directly or through contracting of services from such sources as OISE staff, consulting firms and universities. Each plan submitted should be evaluated in the Ministry and appropriate changes recommended. It would be advisable also, and extremely helpful to the school boards, for the Ministry to appoint to each of its regions an officer whose major duties would be to work closely with the section in the central offices of the Ministry providing this planning service and to assist directly those boards in his region requiring guidance in developing their own projections and plans. One advantage to be hoped for from this Ministry participation is the promotion of coordination and cooperation among overlapping and neighbouring boards.

Finally we must deal with the fact that sometimes conditions will indicate that sale of sites is the appropriate thing to do and that the disposal should not be postponed. The propensity of boards to do so has been affected by the associated "negative grant", which requires some appreciable part (sometimes a very large part) of the proceeds to be returned to the province. I am not at this point offering a final recommendation regarding the negative grant. But I recommend that for the time being there be a continuation of the moratorium for 1978 and 1979 in the application of the negative grant, with current provisions for the use of proceeds to continue until a definitive plan on the use of proceeds from building and site disposals is made.

RECOMMENDATIONS

- 1) Request each board to submit to the Ministry this year a five-year facilities plan (with a prescribed format) to include enrolment projections by grades and facilities additions and disposals.
- 2) Request each board to prepare for public distribution as well as for submission to the Ministry a statement of its policies and procedures regarding transportation, possible or anticipated school and classroom closings and the use of space no longer needed for instructional purposes.
- 3) Assign a small section of the Ministry the task of assisting boards in preparing these projections and plans.
- 4) Continue for 1978 and 1979 the moratorium in the application of the "negative grant" associated with the disposal of school facilities and continue current provisions for the use of proceeds until a definitive plan on the use of such proceeds is made.

POSTSCRIPT

My First Interim Report was a presentation of data and information pertaining to declining enrolments and a partial analysis of related emerging education and public policy issues. It was the product of the first stage of a year-long process of education for teachers, parents and citizens of Ontario and especially for me in my role as Commissioner. That process has continued. This Second Interim Report and a practically completed Final Report are its latest products.

What we in Ontario perceive to be the challenges and problems of enrolment declines are very nearly the same as those perceived by many other jurisdictions on this continent and in nearly all other parts of the industrialized world. In all cases there are no problems that apply to the education sector exclusively. What we all face are an array of public policy issues emanating from demographic changes. Such issues are inevitably manifested as public finance problems. In this second report it is apparent that I am becoming increasingly concerned with the financial challenges in these times characterized by declining enrolments, inflation, high unemployment and less than satisfying economic growth. Actually, inflation is our big problem, not declining enrolments which, it could be argued with some justification, are part of the solution to the economic problem. Finance will likely continue to be my prime concern in the Final Report, which will contain all my arguments, conclusions and recommendations. It ought not to be a long report, because all the background materials which will have influenced it will already have been published. The first draft will be completed by August 31, 1978. That was the date by which I had intended to complete all the work of the Commission. But I am experiencing difficulty in getting some up-to-date data, particularly pertaining to education costs and expenditures. I fully intend to incorporate some data into my Final Report that I do not yet have even at this late date. For this reason I now expect that my Final Report will not be revised, edited, printed and ready for distribution until later in the fall.

